

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
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FOI/PA# 1353289-0

Total Deleted Page(s) = 32  
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FOI/PA  
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UNITED STATES

ENT

# Memorandum

TO : Director, FBI (29-28704)

DATE: 4/26/62

FROM : SAC, Kansas City (58-194)

SUBJECT: BILLIE SOL ESTES, aka, ETAL  
BRIBERY; CONFLICT OF INTEREST  
Dallas - 00

Re Dallas teletype to Director 4/23/62.

Enclosed for the Bureau is another copy of report of SA CHARLES J. KELLERMAN dated 4/20/62 at Kansas City, per Dallas instructions in referenced teletype.

ESTES MAY HAVE SUICIDAL TENDENCIES

2 - Bureau (enc. 1)  
1 - Dallas (58-188)  
1 - Kansas City  
hmg  
(4)

ENCLOSURE

REC-72

29-28704-147  
9 APR 30 1962

EXP-PROC

67 MAY 1 1962

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>SAN FRANCISCO</b>	Office of Origin <b>NEW ORLEANS</b>	Date <b>4/20/62</b>	Investigative Period <b>4/20/62</b>
TITLE OF CASE  <b>BILLIE SOL ESTES, ET AL</b>		Report made by <b>ROY J. BARLOGA</b>	Typed By: <b>ER</b>
		CHARACTER OF CASE  <b>BRIBERY; CONFLICT OF INTEREST</b>	

Synopsis:

REFERENCE:

New Orleans teletype to Bureau, 4/19/62.

- RUC -

ADMINISTRATIVE:

One copy is sent to El Paso for information purposes inasmuch as that office is conducting extensive investigation concerning the activities of subject ESTES.

Approved <i>[Signature]</i>	Special Agent in Charge	Do not write in spaces below	
Copies made: 3 Bureau 3 New Orleans (58-169) (1 USA, New Orleans) 1 El Paso (Info) 1 San Francisco (58-335)  1 cc Dept. 46 4-26-62 50 MAY 1 2 1962 1 cc Dept. [ ] Civil Div) 5/18/62 [Signature]		29 - 28704 - 149	REC- 72
		U. S. DEPT. OF JUSTICE TO ALL BUREAUS MAY 3 2 33 AM '62	
		b6 b7C	

52 MAY 1 1962



UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 USA, New Orleans

Report of: SA ROY J. BARLOGA  
Date: April 20, 1962

Office: SAN FRANCISCO

Field Office File No.: SF 58-335

Bureau File No.:

Title: BILLIE SOL ESTES, Dr. JAMES T. RALPH,  
WILLIAM E. MORRIS, EMERY E. JACOBS,  
[redacted]b6  
b7C

Character: BRIBERY; CONFLICT OF INTEREST

Synopsis:

[redacted] California, [redacted]  
U. S. Department of Agriculture, on 4/20/62, in sworn, signed  
statement, said he had been [redacted] in  
1956 [redacted] Sudan,  
Texas. ESTES owned or had a financial interest in it.  
[redacted] said he was not acquainted with ESTES, had never  
received any entertainment or gifts from him, and knew  
of no Department of Agriculture employees who had or  
who had contacts with ESTES or companies in which he  
had an interest. ESTES MAY HAVE SUICIDAL TENDENCIES.

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- RUC -

Date 4/20/62

[redacted] U. S. Department of Agriculture, Room 201 Tioga Building, 2020 Milvia Street, Berkeley, California, was interviewed under oath and the following sworn, signed statement was obtained from him:

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"April 20, 1962  
Berkeley, California

"I, [redacted] being duly sworn, make the following voluntary statement to Roy J. Barloga, Special Agent, Federal Bureau of Investigation. I have been told that I do not have to make any statement and that any statement I make can be used against me in a court of law. I have been told that I can consult with an attorney.

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"I was born [redacted] New Mexico. I live at [redacted] California.

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"I have been employed by the U. S. Dept. of Agriculture [redacted] New Orleans Commodity Office, Agricultural Stabilization and Conservation Service. [redacted]

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la.

"I am not personally acquainted with Billie Sol Estes and have had no dealings with him or companies in which he has a financial interest. I do not know any Dept. of Agriculture personnel who have had contact with Estes. I have never been entertained, given gifts or been offered such by Estes or anyone else, for any reason, in connection with my work, and I do not know of any Dept. of Agriculture employees who have.

"In the Summer of 1956, I inspected and approved a warehouse at Sudan, Texas, for cotton storage. Estes owned or had a financial interest in it. The warehouse was in proper condition and it was entitled to approval. After several months, the warehouse was leased to another warehouse operator in Sudan, Texas, and Estes no longer operated it.

"I was offered nothing, nor received anything, from anyone, to induce me to approve that warehouse.

On 4/20/62 at Berkeley, California File # SF 58-335; NO 58-169

by SA ROY J. BARLOGA / ER Date dictated 4/20/62

SF 58-335; NO 58-169  
RJB:ER

"I have read this statement of three pages and it is true and correct.

(Sgd.) [redacted]

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"Sworn to and subscribed before me this 20th day of April, 1962, at Berkeley, California.  
(Sgd.) Roy J. Barloga, Sp. Agt., FBI, San Francisco, California

"Witness:

(Sgd.) [redacted]  
[redacted]

California, 4-20-62"

\* \* \* \* \*

[redacted] said that he has been in his present position with the U. S. Department of Agriculture and stationed at Berkeley since [redacted]. He believed that the warehouse in Sudan, Texas, which he had inspected and approved in 1956, was called the Farmers Storage Company. It was a newly-built warehouse of four units, with a superintendent in charge whose name he could not recall. [redacted] said he knew ESTES had an interest in this warehouse and that ESTES was well known in that area of Texas and was considered a young businessman with an excellent future. He never saw ESTES at the warehouse. [redacted] said that the warehouse was leased after a few months by the Central Compress and Warehouse Company, Sudan, Texas, and subsequent inspections made of that warehouse were made with that company in charge of the warehouse. He said that his inspection of the place took about four hours, and that at that time he was inspecting warehouses in his employment located in West Texas, New Mexico, and Oklahoma. He traveled extensively and during the period of one year probably inspected about 200 warehouses.

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FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
APR 2 6 1962  
TELETYPE

Mr. Tolson ☒  
Mr. Belmont ☒  
Mr. Mohr ☐  
Mr. Callahan ☐  
Mr. Conrad ☐  
Mr. DeLoach ☐  
Mr. Evans ☐  
Mr. Malone ☒  
Mr. Rosen ☐  
Mr. Sullivan ☐  
Mr. Tavel ☐  
Mr. Trotter ☐  
Tele. Room ☐  
Miss Holmes ☐  
Miss Gandy ☐

URGENT 4-26-62 11-18 AM CST EEA

TO DIRECTOR, FBI /29-28704/ ATTN. GENERAL INVESTIGATIVE DIV.  
AND SAC, EL PASO /29-351/

FROM SAC, DALLAS /29-1096/ 6-P

BILLIE SOL ESTES, ETAL. ITSP - MF, CONSPIRACY. RE EL PASO TEL  
CALL TO DALLAS, APRIL TWENTY LAST, AND EL PASO TEL TO BUREAU ,  
APRIL TWENTYTHREE LAST.

[REDACTED] LESTER-STONE CO., PLAINVIEW,  
TEX., ADVISED APRIL TWENTYFIVE LAST, IN EARLY MARCH, SIXTYTWO,  
ESTES CALLED LD FROM PECOS INQUIRING AS TO AMOUNT OUTSTANDING  
ACCOUNTS RECEIVABLE HELD BY LESTER-STONE CO. INFORMED ESTES  
ACCOUNTS AGGREGATED ONE HALF MILLION DOLLARS AND ESTES THEN  
INSTRUCTED [REDACTED] TO DEVOTE FULL TIME TO COLLECTION OF SAME AS  
ESTES WAS IN NEED OF CONSIDERABLE FUNDS IN VIEW OF INQUIRIES  
THEN BEING MADE BY FINANCE COMPANIES. REC-72 29-28704-150

[REDACTED] STATES DID AS REQUESTED BY ESTES AND ON MARCH TWENTY  
LAST, MAILED FORTY THOUSAND DOLLAR COMPANY CHECK TO ESTES AT  
PECOS. DURING AFTERNOON MARCH TWENTYNINE LAST, RECEIVED LD CALL  
FROM ESTES WHO ASKED IF [REDACTED] HAD ANY CASH ON HAND AS HE /ESTES/

MR. BELMONT FOR THE DIRECTOR

67 MAY 1 - 1962

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17 APR 30 1962

PAGE TWO

WAS BROKE AND NEEDED FUNDS IN EVENT FINANCE COMPANIES PUT PRESSURE ON HIM. [ ] ADVISED ESTES HAD APPROXIMATELY TWENTY THOUSAND DOLLARS ON HAND AND ESTES SAID [ ] WOULD FLY TO PLAINVIEW BY FOUR PM., THAT AFTERNOON TO PICK IT UP. [ ] MET [ ] AT PLAINVIEW AIRPORT AND DELIVERED TO HIM TWENTY THREE THOUSAND CASH MOSTLY IN HUNDREDS AND TWENTIES, CONTAINED IN EIGHT BY FOUR INCH PLASTIC MONEY BAG OF FIRST NATIONAL BANK, AMARILLO, TEX. CLAIMED [ ] DID NOT MENTION HIS ITINERARY AND [ ] PRESUMED HE WAS RETURNING TO PECOS. DID NOT OBSERVE ANY OTHER PACKAGES OR A SUITCASE IN POSSESSION OF [ ] NOR DOES HE KNOW WHAT DISPOSITION WAS MADE OF ABOVE MONEY BY ESTES.

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STATED FOLLOWING ESTES RELEASE FROM JAIL AND DURING WEEK APRIL ONE LAST, RECEIVED CALL FROM ESTES REQUESTING ADDITIONAL MONEY ON A PRETEXT WAS BROKE AND NEEDED SAME FOR ATTORNEYS FEES AND LIVING EXPENSES. ON APRIL FOUR AND APRIL SEVEN LAST, FLEW BY CHARTER PLANE TO PECOS WHERE HE GAVE ESTES PERSONALLY AT LATTERS HOME TWENTYFIVE HUNDRED AND TWENTY THOUSAND FIVE HUNDRED DOLLARS CASH RESPECTIVELY. ESTES PLACED MONEY IN CABINET LOCATED IN DEN OF HIS HOME. NO SUBSEQUENT REQUESTS FOR FUNDS

PAGE THREE

FROM ESTES.

DURING INTERVIEW [REDACTED] ADVISED ON OR ABOUT JANUARY TWENTYONE, SIXTY, ESTES, [REDACTED] AND HAROLD ORR APPEARED HIS OFFICE AND GAVE HIM CHECK FOR TWO HUNDRED THIRTYTHREE THOUSAND FIVE HUNDRED DOLLARS, WITH INSTRUCTIONS TO DEPOSIT SAME TO LESTER-STONE CO., ACCOUNT AND IN TURN ISSUED CHECKS ON COMPANY SAME DATE FOR ELEVEN THOUSAND, SIX HUNDRED SEVENTYFIVE DOLLARS, PAYABLE TO R. E. CLEMENTS., FOUR THOUSAND SEVEN HUNDRED FIFTY DOLLARS, PAYABLE HAROLD ORR., EIGHTYFIVE THOUSAND, FIVE HUNDRED DOLLARS TO ESTES., AND ONE HUNDRED THIRTYTWO THOUSAND, ONE HUNDRED DOLLARS AND FORTYSIX THOUSAND, SEVENTYFIVE DOLLARS, BOTH PAYABLE CHANDLER CO.

[REDACTED] NOT CERTAIN BUT BELIEVES ABOVE CHECKS DEPOSITED DRAWN ON SUPERIOR MANUFACTURING CO., HOWEVER, DEPOSIT SLIP NOT LOCATED IN RECORDS. CANCELLED CHECKS IN FILE REFLECT CLEMENTS AND ORR CHECKS ENDORSED AND CASHED BY ORR SAME DATE AT CITY NATIONAL BANK, PLAINVIEW, TEX. CHANDLER CO., CHECKS ENDORSED IN NAME OF COMPANY BY [REDACTED] AND DEPOSITED PECOS STATE BANK, PECOS, TEX., JANUARY TWENTYSIX, SIXTY. ESTES CHECK NOT LOCATED IN FILES BUT BANK STATEMENT LESTER-STONE CO., INDICATES

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PAGE FOUR

SAME CHARGED TO ACCOUNT, JANUARY TWENTYEIGHT, SIXTY. [REDACTED] CLAIMS ESTES AND [REDACTED] REQUESTED TRANSACTION BE HANDLED AS AN ACCOMMODATION TO THEM AND PURPOSE OF SAME UNKNOWN TO HIM. AT TIME [REDACTED] POINTED OUT DEPOSIT AND CHECKS WOULD OFFSET AND WASH OUT IN COMPANY RECORDS. ABOVE ITEMS DO NOT BALANCE, BUT IT WAS NOTED FROM RECORDS ON JANUARY TWENTYSEVEN, SIXTY, COMPANY DEPOSITED FORTYSIX THOUSAND, SIX HUNDRED DOLLAR CHECK OF CHANDLER CO., AND IF THIS AMOUNT CONSIDERED, THESE TWO DEPOSITS AND ABOVE CHECKS OFFSET IN AGGREGATE TOTALS TWO HUNDRED EIGHTY THOUSAND, ONE HUNDRED DOLLARS.

IN CONNECTION WITH ABOVE, DALLAS EXTENDING INVESTIGATION AT PRESENT TO DETERMINE IF R. E. CLEMENTS WAS INVOLVED IN FRAUDULENT SALE CONTRACTS PRIOR TO SALE OF SUPERIOR TO MC SPADDEN, ORR AND ALEXANDER. INVESTIGATION AS WELL AS PUBLICITY FROM TEXAS AG COURTS OF INQUIRY INVOLVE ALLEGATIONS THAT ORR AND ALEXANDER ACCOMPLISHED PURCHASE OF SUPERIOR THROUGH CREATION FRAUDULENT SALES CONTRACTS IN NAMES, AND WITH ASSISTANCE OF, [REDACTED]

[REDACTED] TEX., [REDACTED]

[REDACTED] DICKS PROPANE AND DAVIS PROPANE, FOWLER, COLO. CLEMENTS IS ALLEGED TO HAVE HAD KNOWLEDGE AND AGREED TO THESE TRANSACTIONS.

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PAGE FIVE

CONTRACTS IN [REDACTED] NAME REPORTEDLY LATER ASSUMED AND TRANSFERRED TO COLEMAN MC SPADDEN.

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EL PASO REQUESTED TO ADVISE DALLAS IDENTITY AND INFO AVAILABLE RE CHANDLER CO. ALSO ADVISE IF IN POSSESSION COPIES SALES CONTRACTS IN NAME [REDACTED] NOTING SAME MAY NOW BE IN NAME MC SPADDEN. SPECIFICALLY, ADVISE IF COLLATERAL DESCRIBED BEAR SERIAL NOS. OF TANKS AT VARIANCE WITH TANKS ACTUALLY MANUFACTURED. ALSO ADVISE IF IN POSSESSION ANY SALES CONTRACTS GENERATED PRIOR TO MAY FIFTEEN, SIXTY, BEARING CLEMENTS SIGNATURE WHICH APPEAR POSSIBLY QUESTIONABLE.

EL PASO REFER BUAIRTEL TO DALLAS, COPIES TO EL PASO, PERTAINING TO LETTERHEAD MEMORANDA FORWARDED BY DALLAS, APRIL SIXTEEN LAST. LETTERHEAD MEMO RE ANONYMOUS LETTER CONTAINING ALLEGATIONS OF POSSIBLE IRREGULAR TRANSACTIONS BY ESTES, CLAUDE DAVIS, [REDACTED] [REDACTED] APPEARS TO SUGGEST LEADS WHICH MORE LOGICALLY SHOULD BE HANDLED BY EL PASO SINCE THESE INDIVIDUALS AND THEIR RECORDS ARE LOCATED WITHIN EL PASO DIVISION. EL PASO HANDLE.

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BUREAU SUGGESTION THAT DALLAS DISCUSS FACTS RE ESTES BRIBING [REDACTED] WITH USA SHOULD MORE LOGICALLY BE PRESENTED AT

b6  
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PAGE SIX

EL PASO SINCE [REDACTED] ADMISSIONS WOULD INDICATE FUNDS AND  
OTHER FAVORS PASSED TO HIM AT PECOS. EL PASO PRESENT.

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DALLAS WILL HANDLE LOCAL DISSEMINATION OF LETTERHEAD MEMOS  
TO IRS.

ESTES MAY HAVE SUICIDAL TENDENCIES.

END ACK IN ORD

WA 12-37 PM OK FBI WA DA

EP OK FBI EP JRH

TU DISC 3  
8

CC-MR. ROSEN

1957  
L 2 T  
NOV 10 1957

4-26-62

PLAIN TEXT

TELETYPE

URGENT

TO REC-72 SAC, DALLAS (58-188)

FROM DIRECTOR, FBI (29-28704) — 151

BILLIE SOL ESTES, ET AL., BRIBERY, CONFLICT OF INTEREST.

REURTEL APRIL TWENTY FIVE, SIXTY TWO.

DALLAS OFFICE CONTINUE TO EXPEDITE ALL INVESTIGATION  
INTO THE BRIBERY PHASES OF THIS CASE, IF ANY INQUIRY IS  
RECEIVED FROM REPRESENTATIVES OF THE MC CLELLAN  
COMMITTEE CONCERNING INFORMATION DEVELOPED BY THE BUREAU,  
THEY SHOULD BE REFERRED TO THE DEPARTMENT OF JUSTICE.

DALLAS ADVISE OTHER OFFICES OF ABOVE AS NECESSARY.

TWC:vhm  
(3)

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
APR 26 1962

TELETYPE

MAIL ROOM ☐ TELETYPE UNIT ☒

67 MAY 1 - 1962

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Evans \_\_\_\_\_  
Malone \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
APR 26 1962  
TELETYPE

URGENT 4-26-62 12-58 PM DA

TO SAC DALLAS /58-188/

FROM DIRECTOR 1P /29-28704/

BILLIE SOL ESTES, ET AL., BRIBERY, CONFLICT OF INTEREST.

REURTEL APRIL TWENTY FIVE, SIXTY TWO.

DALLAS OFFICE CONTINUE TO EXPEDITE ALL INVESTIGATION  
INTO THE BRIBERY PHASES OF THIS CASE. IF ANY INQUIRY IS  
RECEIVED FROM REPRESENTATIVES OF THE MC CLELLAN  
COMMITTEE CONCERNING INFORMATION DEVELOPED BY THE BUREAU,  
THEY SHOULD BE REFERRED TO THE DEPARTMENT OF JUSTICE.

DALLAS ADVISE OTHER OFFICES OF ABOVE AS NECESSARY.

ENND & ACK PLS

OK FBI DL MH

TE DISC

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
APR 25 1962

TELETYPE

Mr. Tolson\_\_\_\_\_  
Mr. Belmont\_\_\_\_\_  
Mr. Mohr\_\_\_\_\_  
Mr. Callahan\_\_\_\_\_  
Mr. Conrad\_\_\_\_\_  
Mr. DeLoach\_\_\_\_\_  
Mr. Evans\_\_\_\_\_  
Mr. Malone\_\_\_\_\_  
Mr. Rosen\_\_\_\_\_  
Mr. Sullivan\_\_\_\_\_  
Mr. Tavel\_\_\_\_\_  
Mr. Trotter\_\_\_\_\_  
Tele. Room\_\_\_\_\_  
Miss Holmes\_\_\_\_\_  
Miss Gandy\_\_\_\_\_

URGENT 4-25-62 10-51 AM CST EEA

TO DIRECTOR, FBI /29-28704/ ATTN. - GENERAL INV. DIV.

FROM SAC, DALLAS /58-188/ 1-P

BILLIE SOL ESTES, ETAL, BRIBERY, CONFLICT OF INTEREST.

(GAB) <sup>SPECIAL AGENT</sup> [REDACTED] FORMER SA, REGIONAL MANAGER, GENERAL ACCOUNTING OFFICE, DALLAS, ADVISED TODAY HAS BEEN INSTRUCTED BY HIS WASHINGTON HEADQUARTERS THAT MC CLELLAN COMMITTEE AND/OR INTERGOVERNMENTAL SUBCOMMITTEE OF HOUSE GOVERNMENT OPERATION COMMITTEE MAY SEND MEN TO DALLAS IN CONNECTION WITH ALL PHASES OF ESTES OPERATIONS, AND THAT GAO PERSONNEL BE HELD IN RESERVE FOR ASSISTANCE TO SUCH COMMITTEES. STATED GAO CURRENTLY HAS ONE MAN CHECKING WITH <sup>U.S. DEPARTMENT OF AGRICULTURE</sup> USDA AS TO ACTUAL EXISTENCE OF GRAIN PURPORTED TO BE STORED IN ESTES FACILITIES. [REDACTED] WILL ADVISE ANY FURTHER INFO AS TO CONTEMPLATED ARRIVAL ABOVE COMMITTEES. STATES MC CLELLAN COMMITTEE UNDERSTOOD TO HAVE BEEN IN REGULAR CONTACT WITH <sup>ATTORNEY GENERAL</sup> TEXAS AG WILSON RE HIS HEARINGS CONCERNING ESTES MATTERS. DALLAS INVESTIGATION SUBSTANTIALLY COMPLETED RE BRIBERY PHASES. BUREAU ADVISE OF ANY SPECIAL INSTRUCTIONS FOR FURTHER INVESTIGATION AND COOPERATION WITH ABOVE COMMITTEES SHOULD THEY ARRIVE.

END MESSAGE ONE

REC-72

17 APR 30 1962

96 DL  
4-26-62  
TWC/vhr

FEDERAL BUREAU OF INVESTIGATION  
DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
APR 25 1962

TELETYPE

URGENT 4-25-62 3-35- PM CST GLR

TO, DIRECTOR, FBI

SAC, DALLAS AND EL PASO

FROM, SAC, HOUSTON /58-111/ RUC

*AND OTHERS*  
BILLY SOL ESTES, ET AL, BRIBERY, CONFLICT OF INTEREST.  
Office of Origin  
-00 DALLAS.

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

[REDACTED]  
CONTACTED AT CORPUS CHRISTI, TEXAS, TODAY. [REDACTED]  
SAID OTHER ATTORNEYS IN WEST TEXAS ARE REPRESENTING [REDACTED]  
IN SEVERAL CIVIL SUITS IN WEST TEXAS IN WHICH HE AND OTHERS  
ARE PLAINTIFFS AND ALSO DEFENDANTS. [REDACTED] NOT  
AGREEABLE FOR [REDACTED] TO BE INTERVIEWED AT PRESENT AND  
WOULD NOT AGREE WITHOUT CONSENT OF ~~THE~~ COUNSEL. HE POINTED  
OUT [REDACTED] HAS TESTIFIED UNDER OATH BEFORE COURT OF  
INQUIRY CONDUCTED BY STATE ATTORNEY GENERAL AT PECOS,  
TEXAS, REGARDING HIS KNOWLEDGE OF INSTANT MATTER AND HIS  
TESTIMONY IS MATTER OF PUBLIC RECORD. AFTER HE HAS  
CONFERRED WITH OTHER ATTORNEYS IN WEST TEXAS, AND IN EVENT  
IT IS AGREEABLE FOR [REDACTED] TO BE INTERVIEWED, [REDACTED]  
WILL THEN SO ADVISE, *REFERRED UPON COMPLETION*  
~~RUC.~~  
END AND ACK

EP TO BE ADVU XXXADVISED

DA OK FBI DL EEA

WA 5-31 PM ONK FBI WA MLL

TU AND SI DISC

VM 67 MAY 1 - 1962  
CC-MR. ROSEN

REC-72

21-28764-153  
17 APR 30 1962

MR. BELMONT FOR THE DIRECTOR

F B I

Date: 4/26/62

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via AIRTEL

(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Holmes	_____
Miss Gandy	_____

TO: DIRECTOR, FBI (29-28704)

FROM: SAC, WFO (87-8242) (P)

BILLIE SOL ESTES et al  
BRIBERY; CONFLICT OF INTERESTS  
(OO:DL)

BILLIE SOL ESTES et al  
ITSP - MAIL FRAUD - CONSPIRACY  
(OO:EP)

Rerep of SA ANDREW J. SHANNON dated 4/23/62, at  
Washington, D.C.

Enclosed for the Dallas Office is a copy of a letter  
dated 4/23/62, received by the Honorable ORVILLE FREEMAN,  
Secretary of Agriculture, U.S. Department of Agriculture (USDA),  
from the Attorney General of Texas WILL WILSON which was  
made available by [redacted] Secretary of Agriculture.

On 4/24/62, EDWARD M. LOWEREE, Chief, Division of  
Investigations, USDA, telephonically advised SA SHANNON that  
[redacted] Secretary of  
Agriculture, desired to see the Agent. Agent telephonically  
contacted [redacted] at which time he advised that he had re-  
ceived the enclosed letter and felt the information was of  
interest to instant investigation. On the same date [redacted]  
made available for review the enclosed letter and at which

3-Bureau

2-Dallas (58-188) (Enc.1) (AM) (SPECIAL DELIVERY)

1-El Paso (29-351) (Info) (AM) (SPECIAL DELIVERY)

1-WFO

AJS:bdb (7)

C. C. Wick

AIRTEL

17 APR 30 1962

Approved: \_\_\_\_\_

Sent \_\_\_\_\_ M Per \_\_\_\_\_

67 MAY 1 - 1962 Special Agent in Charge

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REC-72 29-28704-154

WFO 87-8242

time he stated that Secretary FREEMAN had seen the letter and wanted to talk to Agent SHANNON.

Secretary FREEMAN advised that the letter from Attorney General WILSON appeared to contain wide discrepancies between the testimony of the employees of the Neiman-Marcus store in Dallas and Dr. JAMES T. RALPH, a former Assistant Secretary of Agriculture. He advised that he had not seen the official transcript of the testimony taken in Texas, which had been requested by the USDA; however, he stated that if the information contained in the letter was true that Dr. RALPH would be dismissed. Secretary FREEMAN pointed out that the statements in the enclosed letter attributed to Dr. RALPH concerning the shirts were not plausible. He also pointed out that the testimony of the salesmen as well as the documentary evidence from the store tended to bear out the testimony of the salesmen.

Secretary FREEMAN stated that he desired to resolve the matter and felt that Dr. RALPH should be immediately interviewed concerning the information contained in the letter. He wanted to know whether or not Dr. RALPH would be interviewed by the FBI immediately concerning the information contained in the letter and, if not, he desired to have the Department of Agriculture investigators look into this matter.

Secretary FREEMAN stated that it was necessary that he know immediately "and not next week" concerning what steps would be taken in this matter, pointing out that there was the matter of publicity and inquiries from the newspapers as well as his personal feelings that he did not tolerate any misconduct by employees of the USDA.

Secretary FREEMAN was aware that the Agent would not be able to furnish an answer to his inquiry and Agent SHANNON advised him that his feelings in this matter would be called to the attention of the Bureau. It was pointed out to Secretary FREEMAN that the FBI had no jurisdiction over the administrative matters of the USDA.

WFO 87-8242

On 4/24/62, the above matter was referred to the Bureau as well as a copy of the enclosed letter. On 4/25/62, the Bureau advised that the matter had been referred to the Department of Justice and that Secretary FREEMAN would be so advised.

On 4/26/62, the Bureau granted approval that Dr. RALPH could be contacted for the purpose of having him review, correct, and sign a statement which was prepared following the interview with him on 4/17/62.

ESTES REPORTED TO HAVE SUICIDAL TENDENCIES.



F B I

Date:

4/25/62 *with*

Transmit the following in

*PLAIN Text per*

(Type in plain text or

Via **TELETYPE****URGENT**

(Priority or Method of Mailing)

Mr. Tolson \_\_\_\_\_  
 Mr. Belmont \_\_\_\_\_  
 Mr. Mohr \_\_\_\_\_  
 Mr. Callahan \_\_\_\_\_  
 Mr. Conrad \_\_\_\_\_  
 Mr. DeLoach \_\_\_\_\_  
 Mr. Evans \_\_\_\_\_  
 Mr. Gale \_\_\_\_\_  
 Mr. Rosen \_\_\_\_\_  
 Mr. Sullivan \_\_\_\_\_  
 Mr. Tavel \_\_\_\_\_  
 Mr. Trotter \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Miss Holmes \_\_\_\_\_  
 Miss Gandy \_\_\_\_\_

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TO DIRECTOR, FBI /29-28704/, AND SACS DALLAS AND EL PASO  
 FROM SAC, WASHINGTON FIELD /87-8242/  
 BILLIE SOL ESTES, ET AL, ITSP; MF; BRIBERY DASH CONSPIRACY;  
 FAG DASH COI. OO DALLAS.

REWFOTEL, APRIL TWENTYFOUR LAST. REPORT OF SA ANDREW J.  
 SHANNON, APRIL TWENTYTHREE LAST, AT WASHINGTON, D. C. REPORT  
 OF SA MANNING C. CLEMENTS, APRIL TWENTY LAST, AT DALLAS.

N. BATTLE HALES, STAFF ASSISTANT, OFFICE OF THE DEPUTY  
 ADMINISTRATOR, STATE AND COUNTY OPERATIONS, AGRICULTURAL  
 STABILIZATION AND CONSERVATION SERVICE /ASCS/, U. S. DEPARTMENT  
 OF AGRICULTURE /USDA/, TELEPHONICALLY ADVISED HE WAS READY  
 TO READ THE STATEMENT PREPARED AS A RESULT OF THE INTERVIEW  
 WITH HIM ON APRIL NINETEEN LAST. HE ALSO STATED THAT HE HAS  
 ADDITIONAL INFORMATION TO INCORPORATE IN THE STATEMENT.  
 ARRANGEMENTS WERE MADE TO CONTACT HALES ON APRIL TWENTYSIX NEXT.

HALES ADVISED THAT

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- 2 - Bureau
- 2-- Teletype Unit
- 1 - WFO

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REC-73 29-28704-155

17 APR 20 1962

Approved: \_\_\_\_\_

Special Agent in Charge

Sent \_\_\_\_\_

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Per \_\_\_\_\_

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Date:

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(Type in plain text or code)

Via \_\_\_\_\_  
(Priority or Method of Mailing)

PAGE TWO. WFO 87-8242

[REDACTED] A PUBLIC HEALTH DOCTOR  
WAS PRESENT AT THE TIME AND HER PERSONAL PHYSICIAN WAS NOTIFIED.  
HER PERSONAL PHYSICIAN IS TO NOTIFY HALES OF SUBSEQUENT  
DEVELOPMENTS.

IT WAS POINTED OUT TO HALES THAT AGENTS HAD NOT INTERVIEWED  
[REDACTED] IN CONNECTION WITH INSTANT INVESTIGATION  
AND THE ONLY TIME THAT SHE WAS INTERVIEWED BY AGENTS WAS ON  
APRIL TWENTY LAST, WHEN HALES WAS LOCKED OUT OF HIS OFFICE BY  
THE USDA AND THE RECORDS IN HIS OFFICE REMOVED FROM HIS  
JURISDICTION. IT WAS POINTED OUT THAT [REDACTED] WAS ONLY  
INTERVIEWED AT THIS TIME AS SHE WANTED TO GO ON RECORD CONCERNING  
THE DEVELOPMENTS THAT HAD HAPPENED THAT MORNING IN CONNECTION  
WITH HALES BEING LOCKED OUT OF HIS OFFICE.

HALES MADE A STATEMENT TO THE EFFECT THAT HE WAS QUOTE  
GOING TO GET TO THE BOTTOM OF THIS QUOTE AND ADVISED THAT HE  
HAD CALLED EDWARD M. LOWEREE, CHIEF, DIVISION OF INVESTIGATIONS,  
USDA, WHO INFORMED HIM THAT NO ONE IN HIS, LOWEREE'S, OFFICE  
HAD INTERVIEWED [REDACTED]

ON THIS DATE LOWEREE TELEPHONICALLY ADVISED THAT WILLIAM E.  
MORRIS, FORMER ASSISTANT TO DR. JAMES T. RALPH, FORMER ASSISTANT

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

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PAGE THREE. WFO 87-8242

SECRETARY, USDA, AND HIS ATTORNEY WERE TO MEET AT THREE PM,  
APRIL TWENTYFIVE SIXTY TWO, WITH DIRECTOR CARL BARNES, DIRECTOR  
OF PERSONNEL, USDA, AND THEREAFTER TALK TO [REDACTED]

[REDACTED] SECRETARY OF AGRICULTURE, WHO,  
LOWEREE STATED, HAD CERTAIN QUESTIONS TO ASK MORRIS WHICH WERE  
INTERNAL MATTERS RELATING TO USDA. ACCORDING TO LOWEREE, [REDACTED]  
FELT THAT AGENTS MIGHT LIKE TO BE PRESENT DURING THE INTERVIEW  
WITH MORRIS.

IT WAS POINTED OUT TO LOWEREE THAT AGENTS COULD NOT  
PARTICIPATE IN A JOINT INTERVIEW AND PARTICULARLY IN ANY  
ADMINISTRATIVE OR PERSONNEL MATTER RELATING TO THE USDA.  
LOWEREE HAD PREVIOUSLY INDICATED THAT MORRIS AND HIS ATTORNEY  
WERE COMING IN, IN CONNECTION WITH MORRIS'S DISMISSAL FROM THE  
USDA.

LOWEREE WAS ADVISED THAT IF MORRIS INDICATED A DESIRE  
TO TALK TO THE FBI THAT THE AGENTS WOULD BE WILLING TO TALK  
TO HIM. LOWEREE STATED THAT IF MORRIS SO INDICATED HE WOULD  
ADVISE THE WFO.

[REDACTED] MORRIS,  
ADVISED A WFO AGENT ON APRIL SEVENTEEN LAST, THAT HE HAD

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Special Agent in Charge

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(Type in plain text or code)Via \_\_\_\_\_  
(Priority or Method of Mailing)

PAGE FOUR. WFO 87-8242

INSTRUCTED MORRIS NOT TO TALK TO ANYONE.

A RECHECK WAS MADE OF THE QUOTE MAIL SIGNATURE BOOK QUOTE LOCATED AT THE HOTEL WASHINGTON, FOR THE PERIOD JUNE ONE LAST TO DECEMBER SEVEN LAST, IN AN EFFORT TO DETERMINE IF ANY PACKAGES HAD BEEN SENT FROM DALLAS OR THE NEIMAN DASH MARCUS STORE IN DALLAS TO ANY OF THE SUBJECTS IN THIS CASE. A CHECK OF THIS BOOK FAILED TO DISCLOSE THAT ANY REGISTERED MAIL OR INSURED PACKAGES WERE RECEIVED AT THIS HOTEL FOR ANY OF THE SUBJECTS IN THIS CASE. NO REGISTERED MAIL OR INSURED PACKAGES WERE RECEIVED DURING THIS PERIOD FOR DR. JAMES T. RALPH; WILLIAM E. MORRIS; EMERY E. JACOBS, FORMER DEPUTY ADMINISTRATOR, ASCS.

WFO IS CHECKING TELEPHONE TOLL CALLS OF SUBJECTS RALPH, MORRIS, JACOBS [REDACTED] AND WILL LOCATE AND EXAMINE BANK ACCOUNTS OF SUBJECTS RALPH, MORRIS, AND JACOBS. FOR INFORMATION OF DALLAS, WFO DOES NOT PLAN TO REVIEW TRAVEL VOUCHERS OF [REDACTED] [REDACTED] USDA, AS SET OUT IN RE DALLAS REPORT IN VIEW OF THE FACT NO EVIDENCE OF IRREGULARITIES IN HIS ACTIONS OR IMPROPER CONDUCT ON HIS PART IN BOND MATTER.

ESTES REPORTED TO HAVE SUICIDAL TENDENCIES. P

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Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

F B I

Date: 4/24/62

Transmit the following in PLAIN TEXT  
(Type in plain text or code)Via TELETYPE URGENT  
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

TO: DIRECTOR, FBI AND SACS DALLAS, EL PASO, AND  
OKLAHOMA CITY

FROM: SAC, WFO (87-8242)

BILLIE SOL ESTES, ET AL. ITSP, MF, BRIBERY DASH CONSPIRACY,  
FAG DASH COI. OFFICE OF ORIGIN EL PASO.REWFOTELE DATED APRIL TWENTYTHREE LAST AND REPORT OF  
SPECIAL AGENT ANDREW J. SHANNON DATED APRIL TWENTYTHREE  
LAST AT WASHINGTON, D. C.

EMERY EARL JACOBS ADVISED ON APRIL TWENTYTHREE LAST THAT  
IN ABOUT OCTOBER SIXTYONE, IN DALLAS, TEXAS, ON OFFICIAL  
BUSINESS FOR U.S. DEPARTMENT OF AGRICULTURE PAREN USDA END  
PAREN HE MET ESTES, WHOM HE HAS KNOWN FOR PAST FIVE OR SEVEN  
YEARS, IN LOBBY OF HOTEL WHERE HE WAS STAYING. JACOBS STATED  
HE WAS ON HIS WAY TO BUY NEW WINTER CLOTHES AND ESTES AGREED  
TO ACCOMPANY HIM. THEY WENT TO THE NEIMAN DASH MARCUS STORE  
WHERE ESTES ASSISTED JACOBS IN SELECTING SUITS, SPORT COAT,  
SLACKS, SHOES, SHIRTS, AND TIES. JACOBS STATES HE PAID  
FOR ALL PURCHASED, ABOUT ONE THOUSAND DOLLARS, WITH HIS OWN  
MONEY WHICH DID NOT COME FROM ESTES, AND HAD ALL ITEMS THAT  
WERE TO BE ALTERED MAILED TO HIS SECRETARY MARGARET CAMPBELL,

② - Bureau  
2 - Teletype Unit  
1 - WFO

REC-72

17 APR 30 1962

Approved: (5) *[Signature]*

Sent \_\_\_\_\_ M. Per \_\_\_\_\_

Special Agent in Charge

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PAGE TWO

WFO 87-8242

INASMUCH AS THE APARTMENT WHERE HE RESIDED HAD NO FACILITIES FOR ACCEPTING PACKAGES AND HE DID NOT WANT THE PACKAGES TO BE STOLEN FROM IN FRONT OF HIS DOOR. JACOBS CLAIMS THIS WAS ONLY CLOTHING HE BOUGHT IN DALLAS AND DID NOT PURCHASE ANY OTHER CLOTHES IN DALLAS IN SIXTYONE. JACOBS STATED THAT WHEN CHECKING OUT OF HOTEL, ESTES INSISTED THAT HOTEL BILL BE CHARGED TO HIS ACCOUNT AND RATHER THAN CAUSE ANY DISSENSION, THIS WAS ALLOWED. JACOBS CLAIMED PER DIEM ON THIS TRIP, CHRISTMAS SIXTYONE JACOBS RECEIVED AT HIS OFFICE A BAG OF PECANS FROM PECOS, TEXAS, WHICH HE BELIEVED CAME FROM ESTES. ABOUT THREE OR FOUR WEEKS AGO JACOBS WAS FLOWN IN ESTES PLANE FROM PLAINVIEW TO PECOS TO DALLAS, IN CONNECTION WITH HIS SPEECH BEFORE THE PECOS CHAMBER OF COMMERCE.

JACOBS ADMITTED PARTICIPATING IN SEVERAL CONFERENCES AT AGRICULTURE WITH VARIOUS OFFICIALS AND WITH [REDACTED] ESTES [REDACTED] AND ESTES REGARDING POOLED COTTON ALLOTMENTS. JACOBS STATED HE FELT THE "SCHEME" USED BY ESTES AND OTHERS IN THIS MATTER WAS NOT THE INTENT OF CONGRESS. IT WAS AGREED BY AGRICULTURE THAT SO LONG AS THE FARMERS CONTINUED

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b7cApproved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

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(Priority or Method of Mailing)

PAGE THREE

WFO 87-8242

TO MAKE PAYMENTS ON THE LAND IT WOULD BE CONSIDERED TO BE A BONA FIDE SALE. HE ADVISED THIS DECISION DEVELOPED OUT OF A SERIES OF CONFERENCES AT AGRICULTURE. JACOBS STATED HE WAS OPPOSED TO THE MANNER IN WHICH ESTES GOT THE COTTON ALLOTMENTS IN THAT HE FELT IT WAS ILLEGAL, BUT STATED HE IS NOT QUALIFIED TO SAY WHAT THE INTENT OF CONGRESS WAS WHEN THE ACT WAS ENACTED. HE STATED IT WAS UP TO THE GENERAL COUNSEL, USDA AND THE COURSES TO DECIDE. JACOBS DENIED GRANTING ANY FAVORS TO ESTES AND NEVER INTERCEDED IN HIS BEHALF. HE STATED HE HANDLED ALL MATTERS AS HE FELT THEY SHOULD BE HANDLED.

JACOBS SAID HE DID NOT APPEAR IN TEXAS FOR THE STATE ATTORNEY GENERALS HEARINGS INASMUCH AS HIS ATTORNEY DETERMINED THAT THE ATTORNEY GENERAL OF TEXAS WAS A CANDIDATE FOR GOVERNOR AND IS USING THE HEARING TO FURTHER HIS CAMPAIGN. HE STATED HE WAS ADVISED THAT HE COULD GAIN NOTHING FROM THE HEARING AT THIS TIME.

JACOBS STATED HE HAD AN APPOINTMENT TO TALK WITH O'DONNELL OF THE SENATE MC CLELLAN COMMITTEE ON APRIL TWENTYFOUR

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Special Agent in Charge

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(Priority or Method of Mailing)

PAGE FOUR

WFO 87-8242

PRESENT. JACOBS AGREED TO APPEAR AT WFO AFTER THE INTERVIEW AND FURNISH A SIGNED STATEMENT REGARDING INFORMATION FURNISHED.

ON APRIL TWENTYFOUR PRESENT JACOBS APPEARED AT THE WFO AND FURNISHED A SIGNED STATEMENT CONTAINING ABOVE INFORMATION.

[REDACTED] JACOBS, SIGNED THE SWORN STATEMENT AS CONTAINED IN REFERENCED REPORT THIS DATE.

[REDACTED] GENERAL CRIMES SECTION, CRIMINAL DIVISION, DEPARTMENT OF JUSTICE, ADVISED HE HAS IN HIS POSSESSION FOR REVIEW, THE REPORT OF THE INVESTIGATION DIVISION, USDA DATED OCTOBER TWENTYSEVEN LAST MADE BY AGENT [REDACTED] FILE NUMBER D THREE FIVE NINE FIVE. THIS REPORT IS CAPTIONED QUOTE BILLIE SOL ESTES, PECOS, TEXAS, PURCHASE OF POOLED COTTON ALLOTMENTS. END QUOTE

[REDACTED] STATED THE REPORT WILL BE REVIEWED BY HIM OR OTHERS IN THE SECTION TO DETERMINE IF THERE EXISTS ANY POSSIBLE VIOLATIONS OF EXISTING FEDERAL STATUTES. HE SAID IF INVESTIGATION IS UNWARRANTED, BASED ON THIS REPORT, APPROPRIATE REQUEST WILL BE MADE OF THE BUREAU.

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Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge



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(Priority or Method of Mailing)

PAGE FIVE

WFO 87-8242

REFERENCE IS MADE TO PAGE ONE HUNDRED ELEVEN OF REFERENCED REPORT WHICH REFLECTS INTERVIEW OF DELBERT J. HARRILL, DIRECTOR OF INTERNAL AUDIT DIVISION, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, ASCS, USDA.

HARRILL TELEPHONICALLY ADVISED THAT THE TWO FILES HE SPOKE OF DURING INTERVIEW ON APRIL NINETEEN PAST HAVE NOW BEEN REVIEWED. HE STATED THAT THE NAME OF ESTES IS MENTIONED A NUMBER OF TIMES IN THE FILES ON THE DISCUSSION OF COTTON STORAGE OR COTTON ACREAGE ALLOTMENTS. HE ADVISED THAT THERE APPEARS TO BE NO IRREGULARITIES AS SUCH ON THE PART OF ANY USDA PERSONNEL, HOWEVER, INFORMATION IN THE FILES INDICATED THAT THE COUNTY OFFICES OF ASCS DID NOT HAVE MUCH TO SAY IN GRANTING COTTON ACREAGE ALLOTMENTS TO ESTES, BUT THAT SUCH QUOTE SAY END QUOTE SEEMED TO COME FROM HIGHER UP IN THE CHAIN OF AUTHORITY ON USDA. HARRILL STATED THAT THE TWO FILES WOULD BE MADE AVAILABLE FOR REVIEW BY FBI IF SO DESIRED. HARRILL ALSO INDICATED HE HAD RECEIVED OTHER PAPERS AND FILES FROM DALLAS OFFICE OF <sup>ASCS</sup> ~~ASCS~~ WHICH INCLUDED AUDIT REPORTS, WORK PAPERS USED BY AUDITORS, AND WORK FILES WHICH HE ALSO

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Special Agent in Charge

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(Priority or Method of Mailing)

PAGE SIX

WFO 87-7242

~~WFO~~ ADVISED WOULD BE AVAILABLE FOR REVIEW.

IT IS POINTED OUT THAT THE USDA HAS BEEN ADVISED BY THE U.S. DEPARTMENT OF JUSTICE THAT ALL CASES<sup>5</sup> COMING TO THE ATTENTION OF USDA WHICH APPEAR TO INVOLVE CRIMINAL VIOLATIONS OF STATUTES ADMINISTERED BY THE USDS SHOULD BE REFERRED TO THE DEPARTMENT OF JUSTICE FOR EVALUATION. THIS FACT WAS SET FORTH IN THE INTERVIEW OF N. BATTLE HALES ON PAGE SIXTYNINE OF REFERENCED REPORT.

IN VIEW OF THE LACK OF ALLEGATIONS REGARDING ANY IRREGULARITIES OR CRIMINAL ACTIVITIES ON THE PART OF ESTES, WFO UACB WILL NOT REVIEW THE FILES REFERRED TO BY HARRILL. IN VIEW OF THE VOLUME OF INVESTIGATIVE FILES CONTAINED IN THE USDA, WFO FEELS THAT THE PROCEDURE THAT IS IN EXISTENCE, WHEREBY USDA REVIEWS THESE FILES FOR EVIDENCE OF CRIMINAL ACTIVITIES AND THEN REFERS THEM TO THE JUSTICE DEPARTMENT SHOULD BE RELIED UPON.

ESTES IS REPORTED TO HAVE SUICIDAL TENDENCIES

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

F B I

Date: 4/24/62

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Via \_\_\_\_\_  
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

TO: DIRECTOR, FBI (29-28704)

FROM: SAC, WFO (87-8242)

BILLIE SOL ESTES, et al  
ITSP; MF;  
BRIBERY - CONSPIRACY;  
FAG - COI  
(OO:EP)

ReWFO telephone call to Bureau 4/24/62, and report  
of SA ANDREW J. SHANNON dated 4/23/62, at WDC.

Enclosed herewith for the Bureau is a copy of a  
letter dated 4/23/62, from the Attorney General of Texas  
to the Honorable ORVILLE FREEMAN.

On 4/24/62, EDWARD M. LOWEREE, Chief, Division of  
Investigations, U.S. Dept. of Agriculture (USDA), telephonically  
advised SA ANDREW J. SHANNON that \_\_\_\_\_

\_\_\_\_\_ Agriculture ORVILLE FREEMAN  
desired to see the Agent. Agent telephonically contacted  
\_\_\_\_\_ at which time he advised that he had received  
a letter from WILL WILSON, Attorney General from Texas, and he  
felt the information was of interest in instant investigation.  
\_\_\_\_\_ also made available for review enclosed letter  
received from WILSON dated 4/23/62, addressed to Secretary  
FREEMAN. \_\_\_\_\_ stated that Secretary FREEMAN had seen  
the letter and wanted to talk to Agent SHANNON.

Secretary FREEMAN advised that the letter from  
Attorney General WILSON appeared to contain wide discrepancies  
between the testimony of the employees of the Neiman-Marcus  
Store and Dr. RALPH. He advised that he had not seen the  
official transcript of the testimony taken in Texas; however,  
he stated that if the information contained in the letter  
was true that Dr. RALPH would be dismissed. Secretary  
FREEMAN pointed out that the statements attributed to Dr.

③ - Bureau  
1 - WFO

AJS:hrh

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/ ENCLOSURE

REC-72

AIRTEL

17 APR 30 1962

Approved: \_\_\_\_\_ Sent: \_\_\_\_\_ M Per: \_\_\_\_\_

Special Agent in Charge

C. C. Wick

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WFO 87-8242

RALPH concerning the shirts were not plausible. He also pointed out that the testimony of the salesmen as well as documentary evidence from the store tended to bear out the testimony of the salesmen.

Secretary FREEMAN stated that he desired to resolve the matter and felt that Dr. RALPH should be immediately interviewed concerning the information contained in the letter. He wanted to know whether or not Dr. RALPH would be interviewed by the FBI immediately concerning the information contained in the letter and, if not, he desired to have the Dept. of Agriculture investigators look into this matter.

Secretary FREEMAN stated that it was necessary that he know immediately "and not next week" concerning what steps would be taken in this matter pointing out that there was the matter of publicity and inquiries from the newspapers as well as his personal feelings that he did not tolerate any misconduct by employees of the Dept. of Agriculture.

Secretary FREEMAN was aware that the Agent may not be able to furnish an answer to his inquiry and the Agent advised him that his feelings in this matter would be called to the attention of the Bureau. It was pointed out to Secretary FREEMAN by the Agent that the FBI had no jurisdiction over the administrative matters of the Dept. of Agriculture.

Referenced WFO report sets out on pages 15 through 20 the results of the interview with Dr. RALPH on 4/17/62, in which Dr. RALPH claims that he has never received any gifts from the Neiman-Marcus Store, paid for or charged to the account of ESTES that he was aware of. It was mutually agreed by the Agents and Dr. RALPH that because of his busy schedule that the Agents would incorporate the above information in a signed statement and return to his office the following morning at which time he could correct and sign the statement.

On 4/18/62, [ ] advised SA SHANNON that on the evening of 4/17/62, he received a telegram at approximately 10:00 p.m. from Dr. RALPH in which telegram Dr. RALPH advised he was leaving the morning of 4/18/62, for Bristol, Tenn., and thereafter planned to go to Dallas, Texas, for the purpose of testifying at the inquiry in this matter on 4/20/62.

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WFO 87-8242

On 4/18/62, SA SHANNON telephonically contacted Dr. RALPH's office at which time he was advised that Dr. RALPH had left town for the immediate destination of Bristol, Tenn.

On 4/24/62, LOWEREE telephonically contacted SA SHANNON and advised that Dr. RALPH was back in WDC and indicated that if Agents would meet him in front of the main entrance of the New State Dept. Building that he would sign the statement prepared for his signature. Agents were to meet Dr. RALPH at 12:30 p.m. Agents went to the New State Dept. Building; however, Dr. RALPH did not appear in the place that LOWEREE indicated he would meet the Agents.

WFO recommends that on 4/25/62:

1. That the Bureau make available to Secretary FREEMAN all results of interviews of Neiman-Marcus employees conducted by the Dallas Office.

2. Will also make available to Secretary FREEMAN the results of the interview with Dr. RALPH, as set out in referenced report, in which interview Dr. RALPH stated that he had never received any gifts from the Neiman-Marcus Store, paid for or charged to the account of ESTES that he was aware of.

3. That FREEMAN be advised that the receiving of gratuities is an administrative matter in the absence of any evidence of bribery or conflict of interest. The allegations against Dr. RALPH as set forth in the letter, upon which dismissal may be based, is primarily administrative in nature. Bureau feels that the Agriculture Dept. should interview RALPH inasmuch as administrative action will be based on the results of this interview.

In connections with the WFO recommendation that Dr. RALPH be interviewed by the Dept. of Agriculture, it is noted that WFO plans to continue efforts to locate Dr. RALPH and afford him an opportunity to sign the sworn statement prepared for his signature. He will also be afforded the opportunity to furnish any other information in his possession pertinent to the matter under investigation.

The Bureau may desire that the notification of Secretary FREEMAN in answer to his question be handled through liaison. It is noted that Secretary FREEMAN expects a prompt reply to his inquiry.

ESTES MAY HAVE SUICIDAL TENDENCIES.



THE ATTORNEY GENERAL  
OF TEXAS

AUSTIN 11, TEXAS

April 23, 1962

WILL WILSON  
ATTORNEY GENERAL

Honorable Orville Freeman  
Secretary of Agriculture  
Department of Agriculture  
Washington, D. C.

Dear Mr. Freeman:

Dr. James T. Ralph, formerly an Assistant Secretary of the Department of Agriculture and now in training for the position of Agricultural Attache for the Phillipines, testified Friday, April 20, in Dallas at the court of inquiry delving into the activities of Billie Sol Estes.

We thought it advisable that you be furnished a brief resume of the testimony concerning Dr. Ralph's relationship with Billie Sol Estes, in order that you may take appropriate action.

Dr. Ralph testified that during his visit to Dallas, September 7-9, 1961, he and his assistant, William E. Morris, decided to take a sightseeing stroll. Mr. Billie Sol Estes, who was staying at the Sheraton, the same hotel in which Dr. Ralph and Morris were staying, accompanied them.

According to Dr. Ralph, Mr. Estes suggested that the three of them visit Neiman-Marcus Department Store. Dr. Ralph states that Mr. Estes guided them into the men's clothing department, where, pursuant to Estes' insistent urgings, Dr. Ralph tried on "two or four" suits.

Dr. Ralph stated that he did not purchase any of the suits, did not authorize Mr. Estes to purchase them for him, and has not seen the suits since the date in question. Dr. Ralph did admit that two of the suits were fitted to him, i.e., he went into the fitting room and a person with chalk and measuring tape marked the suits for alteration.

Dr. Ralph unequivocally asserted that he never purchased anything from Neiman-Marcus, that he has received no gifts whatsoever from Billie Sol Estes, and that the foregoing was the extent of his transactions with Neiman-Marcus.

However, when his attention was specifically directed to a subsequent transaction, Dr. Ralph admitted to having visited Neiman-Marcus on October 24, 1961, for the purpose of exchanging two shirts. The

29 22-4-157

shirts exchanged were priced at \$16.95 each. Dr. Ralph had previously stated that he personally wore shirts in the price range of \$3.00 to \$8.95. When shown a ticket reflecting a purchase of shirts by Billie Sol Estes on the date he and Mr. Estes had previously visited Neiman-Marcus, Dr. Ralph disavowed that he had received any shirts covered by the ticket, and denied any knowledge of the purchase transaction, although the shirts shown to have been purchased were also priced at \$16.95.

To explain the "exchange" of the shirts on October 24, Dr. Ralph stated that his father-in-law had mysteriously received two shirts by mail from "a Mr. Wilson" in Dallas. Dr. Ralph asserted that it was these two \$16.95 shirts that he exchanged at Neiman-Marcus on October 24 for five cheaper ones. He said that neither he nor his father-in-law knew "Mr. Wilson" and did not know why they were receiving shirts from him. Dr. Ralph did not comment on the fact that the shirts were being "exchanged" rather than returned.

The only reason that Dr. Ralph gave for exchanging the shirts was that they were made of the "wrong type of fabric or cloth".

An inconsistent aspect of this exchange transaction is that the exchange ticket in Neiman-Marcus records showed that the shirts were exchanged because they were the "wrong color".

After Dr. Ralph left the stand three members of Neiman-Marcus sales staff testified.

Mr. Bob Watson, men's clothing salesman, said that he remembered the visit of Dr. Ralph and Billie Sol Estes late in the afternoon of September 8, 1961. He positively identified Dr. Ralph.

Watson said that he personally served Estes and Ralph and sold the two suits in question. Watson said that the two suits which Dr. Ralph tried on were fitted to him, and that Neiman-Marcus did not mark suits for alteration and fit them to the customer until the sale had been consummated. He said there was no indication by either Mr. Estes or Dr. Ralph that the suits were unwanted or that the sale was not completed.

Watson testified that the two suits which were fitted to Dr. Ralph and altered accordingly, were billed to Billie Sol Estes, and were ordered sent to Billie Sol Estes in care of the Washington Hotel, Washington, D. C. He further stated that at the time of purchase he was instructed by Billie Sol Estes not to put the name of the recipient of the suit inside the coat pocket as would ordinarily have been done.

Documentary evidence reflecting the sale, alteration, instruction to omit the name, and the shipment of the suit to Billie Sol Estes in

Honorable Orville Freeman, page 3.

Washington was introduced and is available for your consideration.

Mr. Gene Johnson, a shoe salesman for Neiman-Marcus, testified that during the visit of Ralph and Estes to Neiman-Marcus on September 8, he fitted two pairs of alligator shoes to Dr. Ralph. According to Johnson, Dr. Ralph stated that he did not want the alligator shoes. Two pairs of less expensive calf shoes were then brought to Dr. Ralph and fitted to him. Dr. Ralph indicated the latter shoes were satisfactory.

The two pairs of shoes priced \$36.95 per pair, were billed to Billie Sol Estes, and delivered to the Sheraton Hotel, where both Billie Sol Estes and Dr. Ralph were staying. The shoes were 9-B, which Johnson said is an interchangeable size with 8½-C. Dr. Ralph had earlier testified that his shoe size was 8½-C. Mr. Estes wears 10½-D.

[redacted] another Neiman-Marcus [redacted] testified that he saw Dr. Ralph in the company of Billie Sol Estes, that Dr. Ralph tried on the two suits in controversy, and that Dr. Ralph went into the fitting room for the purpose of having the suits marked for alteration. An extensive examination of the records of Neiman-Marcus does not reveal that any of the merchandise purchased on September the eighth and paid for by Billie Sol Estes has been returned. b6 b7c

The purpose of a court of inquiry is not to arrive at any judgment or conclusion, but simply to gather evidence to be used by this office, and by any grand juries considering criminal action. However, there were definite conflicts between the testimony of Dr. Ralph and the Neiman-Marcus personnel. Certain portions of Dr. Ralph's testimony are implausible.

The Neiman-Marcus salesmen have no reason to give false or slanted testimony; whereas Dr. Ralph obviously has very much at stake.

In my judgment the weight of the evidence is that Dr. Ralph accompanied Estes to the store, had two suits and two pair of shoes fitted to him, and departed with Estes. Subsequently, the suits were altered and mailed to Estes in Washington, D. C. Estes lives in Pecos, Texas and Dr. Ralph works in Washington. The shoes were delivered to the hotel. At the same time Estes bought six shirts costing \$16.95 apiece and several very expensive ties. About a month later Dr. Ralph exchanged the \$16.95 shirts for the cheaper shirts and gives an implausible explanation.

It is my opinion that these facts will support a finding that Dr. Ralph was given the clothing by Estes.

Sincerely,

*Will Wilson*  
WILL WILSON



F B I

Date: 4/24/62

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)

Via AIRTEL URGENT  
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (29-28704)

FROM: SAC, EL PASO (29-351)

SUBJECT: BILLIE SOL ESTES, et al  
ITSP - MAIL FRAUD - CONSPIRACY  
(OO - EL PASO)

BILLIE SOL ESTES, et al  
BRIBERY; CONFLICT OF INTERESTS  
(OO - DALLAS)

All offices take note that El Paso is the Office of Origin in the ITSP - MAIL FRAUD - CONSPIRACY matter and Dallas is the Office of Origin in the BRIBERY; CONFLICT OF INTERESTS matter.

It is noted in reports being received Dallas, El Paso, and New Orleans have been indicated as Office of Origin in the BRIBERY; CONFLICT OF INTERESTS investigation.

Copies of all reports and other communications should be furnished both El Paso and Dallas.

ESTES MAY HAVE SUICIDAL TENDENCIES.

3-Bureau  
2-Dallas  
2-Houston  
2-Kansas City  
2-Las Angeles  
2-Little Rock  
2-New Orleans

2-Oklahoma City  
2-Philadelphia  
2-New York  
2-San Antonio  
2-San Francisco  
2-Washington Field  
2-El Paso  
(1 - 58-59)

CROSBY

JRM:cfp  
(29)

C C Wick

5 APR 25 1962

Approved: \_\_\_\_\_

Sent \_\_\_\_\_ M

Per \_\_\_\_\_

Special Agent in Charge

67 MAY 1 - 1962

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>EL PASO</b>	Office of Origin <b>DALLAS</b>	Date <b>4/24/62</b>	Investigative Period <b>4/16 - 24/62</b>
TITLE OF CASE  <b>BILLIE SOL ESTES, et al</b>		Report made by <b>SA</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em; vertical-align: middle;"></span>	Typed By: <b>lk, b6</b> <b>cs, b7C</b>
		CHARACTER OF CASE  <b>BRIBERY, CONFLICT OF INTEREST</b>	<b>bg</b>

REFERENCE: Report SA MANNING C. CLEMENTS dated 4/20/62 ✓  
at Dallas.

Report SA CHARLES J. KELLERMAN dated 4/20/62 ✓  
at Kansas City.

- RUC -

ENCLOSURES:

TO DALLAS:

One (1) copy of referenced report of SA CHARLES J. KELLERMAN dated April 20, 1962, at Kansas City.

Twenty-one (21) documents received with referenced Kansas City report which were obtained from the Agricultural Marketing Service at Kansas City.

Approved <i>[Signature]</i>	Special Agent in Charge	Do not write in spaces below	
Copies made:  3 - Bureau 1 - AUSA, El Paso 3 - Dallas (58-188) (Enc. 22) (1 - USA, Fort Worth) 2 - El Paso (1 - 58-59) (1 - 29-351)		29-28704-159	REG 72
		9 APR 30	REG 52

1 cc (rept) Dept.

4-27-62  
TWC: nrc

1 cc Dist. (Civil Div)  
5/18/62  
JdB: nrc

50 MAY 17 1962

EP 58-59

ADMINISTRATIVE:

By teletype dated April 20, 1962, Houston was requested to interview [REDACTED] Texas.

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Inasmuch as reports received relative to captioned matter bearing the character Bribery, Conflict of Interest, indicate Dallas, El Paso and New Orleans as office of origin, El Paso, by airtel dated April 24, 1962, to the Director and all auxiliary offices working on this case, as well as the ITSP - Mail Fraud, Conspiracy investigation, were advised that El Paso was office of origin in the latter case and Dallas was being carried as origin in the Bribery matter.

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - AUSA, El Paso  
1 - USA, Fort Worth

Report of: SA [REDACTED] Office: El Paso  
Date: April 24, 1962

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Field Office File No.: EP 58-59 Bureau File No.:

Title: BILLIE SOL ESTES, et al

Character: BRIBERY, CONFLICT OF INTEREST

Synopsis: Pecos and Reeves County managers of the Agricultural Stabilization and Conservation Service (ASCS) in sworn signed statements state they have no knowledge of any gifts given to Department of Agriculture employees. Both state they accepted hams from ESTES at Christmastime. [REDACTED] C. E. DAVIS, farmers, advise they have no knowledge of gifts or bribes relative to USDA employees. ALICE MORRIS's article "Capital Comment" has appeared in each Sunday edition of the Pecos Daily News since 10/22/61. ESTES major stockholder in this newspaper. ALICE MORRIS is not on payroll; however, issued two checks, each \$296, in February and March, 1962. [REDACTED] ESTES [REDACTED] unaware of any money given WILLIAM MORRIS by ESTES or favors rendered ESTES by MORRIS. Through attorneys for ESTES, it was learned that ESTES did not want to make any statement. WALTER JENKINS, Executive Assistant to the Vice President, advised that Vice President JOHNSON hardly knew ESTES. The airplane referred to was purchased and paid for by the then Senator JOHNSON. Mrs. JOHNSON never heard of Commercial Solvents. ORVILLE FREEMAN stated the information received

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

EP 58-59

concerning his receiving clothing from ESTES was a lie.  
ESTES MAY HAVE SUICIDAL TENDENCIES.

- RUC -

DETAILS:

## FEDERAL BUREAU OF INVESTIGATION

Date April 23, 1962

Mrs. RUTH ~~MINEAR~~, 301 N. Rio Street, Ft. Stockton, Texas, gave the following free and voluntary statement:

"Ft. Stockton, Texas

April 20, 1962

Boon Da 11, 1962

Ruth D. ~~Minear~~

"I, Mrs. Ruth Minear, being duly sworn, hereby make the following free and and voluntary statement. I have been advised by Special Agent Roy C. Dahl of the Federal Bureau of Investigation, that I do not have to make a statement, that any statement I make may be used against me in a court of Law. I have been advised that I may consult an attorney if I so desire.

"I am the County Manager of the Pecos County Agriculture Stabilization Conservation Service. I have held this position since about 1941.

"I have no knowledge of any gifts given to any employee of the Department of Agriculture, with the exception of the gift of five hams which were given to the employees and janitor at the Pecos County ASCS Service at Ft. Stockton. I together with three clerks and the Janitor received a ham each. These were left at the office by an employee of the Estes Enterprises. I had put in many hours overtime in accomodating owners of eminent- domain cotton allotments, and I assumed that this was Mr. Estes way of saying thanks. At no time did I ever do any favors for Mr. Estes that were not within the rules and regulations of the Department.

"Concerning the allotments of eminent- domain cotton land. Eminent- domain cotton allotments are allotments that have been placed in a pool, covering land that has been purchased by the government for their use. I believe that a displaced owner has three years in which to purchase other land and to transfer his allotment to this land.

On 4/20/62 at Ft. Stockton, Texas File # EP 58-29

by SA's WILLIAM B. AHDERS & ROY C. DAHL/jlk Date dictated 4/20/62

EP 58-29

"The 1318 acres of eminent domain cotton land that was leased to Sol Estes and Agriculture Inc., which is also an Estes enterprise, in 1961, was land owned by displaced persons and leased to Estes with their cotton allotments. At the time these cotton allotments were transferred to the displaced owners, and at the time the displaced owners leased their land and allotments to Mr. Estes, they furnished me with copies of the leases.

"I wish to state that I have no control over the amount of acreage of eminent domain cotton allotments transferred to Pecos county. To the best of my knowledge, the amount of acreage is controlled by the State committees, and transferred on basis of applications recommended by the County committees and approved by State Officials.

"/s/ Ruth D. Minear

"Sworn to and subscribed before me on this 20th day of April, at Fort Stockton, Texas

"/s/ Roy C. Dahl  
Special Agent Roy C. Dahl

"Witness: "/s/ William B. Ahders, Special Agent, FBI, El Paso, Texas 4-20-62"

Mrs. MINEAR said that in connection with the gifts of hams received by the employees of the Pecos County Agriculture Stabilization Conservation Service, this was at the Christmas season of 1961.

Mrs. MINEAR said she is 56 years old, and was born December 16, 1906.

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Employment	Office manager, ASCS, Reeves and Loving Counties, Pecos, Texas
Height	5'10½"
Race	White
Sex	Male
Nationality	American
Weight	203 pounds
Build	Stocky and muscular
Eyes	Brown
Complexion	Ruddy
Hair	Bald



## FEDERAL BUREAU OF INVESTIGATION

Date April 23, 1962

[redacted]  
[redacted] Texas, was interviewed at Pecos, Texas.

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At the beginning of the interview [redacted] was advised of the identity of the interviewing Agents, and he was also advised that he could not be required to make any statement and that any statement made by him could be used against him in a court of law. He was also advised that he had the right to consult an attorney prior to being interviewed, but he stated that he had no desire to consult an attorney at this time. [redacted] was further advised that no promises or other concessions could be made to him for the purpose of inducing him to make a statement either oral or written. [redacted] advised that he would be willing to furnish information orally to the FBI, but that at this time he did not desire to make any statement in writing.

[redacted] advised that he [redacted]  
[redacted]  
been a resident of the City of Pecos [redacted]

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[redacted] advised that he is not personally acquainted with any representatives of the United States Department of Agriculture. He stated that he is not personally acquainted with the following specifically named individuals: EMERY JACOBS, WILLIAM MORRIS [redacted]

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[redacted] remembered that probably in the fall of 1961, Mr. EMERY JACOBS, an employee of the United States Department of Agriculture, came to Pecos, Texas, from Washington, D. C., for the purpose of conducting a meeting with local farmers in Pecos for the purpose of discussing cotton planting. [redacted] also had the recollection that a WILLIAM MORRIS, an employee of the Department of Agriculture, probably had been in Pecos on official business on perhaps one occasion.

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On 4/20/62 at Pecos, Texas File # EP 29-351  
EP 58-59

by SA WILLARD D. WHARTON and  
SA [redacted] pg

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Date dictated 4/23/62b6  
b7C

EP 29-351

EP 58-59

[redacted] advised that he had no dealings of any kind with either Mr. JACOBS or Mr. MORRIS. He stated that he had never made any gifts or other considerations to either MORRIS, JACOBS or any other of the agents or employees of the Department of Agriculture.

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[redacted] advised that he has no knowledge or information concerning any dealings or relationships which BILLIE SOL ESTES may have had with any representative of the Department of Agriculture. [redacted] advised that he has never been asked or solicited by any members of the Department of Agriculture on any gratuities, gifts or other considerations. He also stated that he has never received any such favors or considerations and has never asked for any favors or considerations from any employee or agent from the Department of Agriculture.

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[redacted] advised that [redacted] he has [redacted] Record Hale County Grain Company, located at Plainview, Texas. He stated that when this grain storage facility was first constructed, he had had an oral agreement with BILLIE SOL ESTES whereby ESTES was to match the indebtedness on the storage facility in order that they [redacted] Under this oral agreement, ESTES put \$19,000 [redacted] this amount of money to ESTES in 1961, and at the present time, ESTES has no financial interest in the Record Hale Grain Company.

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[redacted] advised that the Record Hale Grain Company is capable of storing 3,200,000 bushels of grain, and that the grain presently in storage in this facility is owned by the United States Government, and that the Government maintains a constant check as to the amount of grain stored. [redacted] advised that a [redacted] Texas, has been and continues to be the [redacted] grain storage facility mentioned [redacted] Government concerning grain storage. He stated that the

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EP 29-351

EP 58-59

Government has been paying storage to this facility since about September, 1960.

[redacted] further stated that in addition to repaying ESTES the \$19,000 which ESTES put into the enterprise in the beginning, that he has also paid ESTES \$40,000 for [redacted] Record Hale Grain Company.

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Texas.

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[redacted] further advised that he entered into three contracts for the purchase of about 329 or 400 anhydrous ammonia tanks. He stated that about 100 of these tanks were purchased by him from the Superior Manufacturing Company of Amarillo, Texas, and that the balance of the tanks were purchased from the Lubbock Machinery. He stated that he has a bill of sale from [redacted] for the tanks purchased from the Lubbock Machinery Company. With reference to the purchase of the anhydrous ammonia tanks, [redacted] explained that sometime in November, 1960, Mr. BILLIE SOL ESTES talked to him about the purchase of these tanks in ESTES' office at Pecos, Texas. At this time ESTES told [redacted] that he, ESTES, made arrangements to buy additional tanks, but had extended his credit to the limit and could not borrow any more money. At this time ESTES requested that he, [redacted] purchase these tanks on his, [redacted] credit. [redacted] advised that he discussed this matter with his attorney and his Certified Public Accountant and finally decided to buy the tanks in question. [redacted] stated that ESTES never actually paid him any money, but that ESTES allegedly paid the Superior Manufacturing Company a down payment on these tanks of \$80,000. He stated that in consideration of his buying the tanks, ESTES extended him credit with the Farmers Company at Pecos, Texas, of \$23,000, which was equivalent

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to ten per cent of the purchase price of the tanks. [ ]  
[ ] advised that he used this credit of \$23,000 by purchasing fertilizer from the Farmers Company equivalent to that amount.

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[ ] advised that the tanks purchased by him were never actually delivered to him, and at the present time, he owes various finance companies, including CIT, Kuykendall, Pioneer Finance Company and SIC, a total of about \$290,000. [ ] advised that he is making his payments to the finance companies as they come due and that it is his intention to pay this entire amount. [ ] advised that no one would lose a dollar on these transactions if he could help it.

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[ ] advised that subsequent to his purchase of the ammonia tanks, that he received a letter from the Superior Manufacturing Company, assuring him that if the payments on the tanks were not met that the Superior Manufacturing Company would reclaim them from ESTES in order that he would not suffer any loss.

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[ ] advised that he has not had any conversations with ESTES for the last seven or nine months and that in his opinion ESTES, "went off his rocker" about a year ago. [ ]  
[ ] advised that he does not know whether or not he has any leases in his possession whereby the tanks purchased were to be listed to ESTES, but he explained that this was the understanding that he had with ESTES that he would buy the tanks, lease them to ESTES and that ESTES would pay the payments to the finance companies as the same became due under the terms of the lease. [ ] advised that ESTES took care of all letters of recommendations and credit to the finance companies.

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[ ] advised that he first had business dealings with ESTES in 1957 or 1958, when he began to make purchases of fertilizer from ESTES at Pecos.

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## FEDERAL BUREAU OF INVESTIGATION

Date April 23, 1962

The following is the signed, sworn statement of

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b7C"Pecos, Texas  
April 20, 1962

"I, [redacted] Texas

Texas, being first duly sworn upon my oath, hereby make the following voluntary sworn statement to Willard D. Wharton [redacted] who have identified themselves to me to be Special Agents of The Federal Bureau of Investigation. I have been told that I do not have to make any statement and that this statement may be used against me in a court of law. I make this statement of my own free will and no threats or promises have been made to me to induce me to make this statement. I have also been told that I have the right to be represented by an attorney, but I do not desire to consult an attorney at this time.

[redacted]  
Since that time I have been [redacted]  
[redacted] Reeves-Loving Counties office of Agricultural Stabilization Conservation Service (ASCS) located at 117 West Second St., Pecos, Texas.

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"The ASCS is responsible for the administration of various programs as directed by the Congress of the U. S. and the Secretary of Agriculture of the U. S., which includes Cotton Allotment and Marketing Quotas and other programs.

"I have known Billie Sol Estes since about 1956. He is one of the farmers in this area who has had a cotton allotment. As far as I know, Estes has not done anything illegal in connection with his cotton allotment. Estes has sold land to so called displaced farmers and then leased the land back from them and thus obtained use of their cotton

On 4/20/62 at [redacted] Texas File # EP 58-59b6  
b7Cby SA WILLARD D. WHARTON and  
[redacted] hg Date dictated 4/23/62

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allotment. However, the Department of Agriculture investigated the matter of farmers obtaining cotton allotments in this manner and in about December, 1961 the Department cancelled the Cotton Allotments obtained in this manner by Estes and other farmers.

"Estes seldom came into my office to do business. He usually sent one of his foreman here to transact his business with this office.

"I am sure that neither Billie Sol Estes nor any of his employees, agents or relatives have ever received any special favors or considerations from this office, from me or any of the employees of this office. To my knowledge ESTES has never asked for any special favors or considerations. Estes has been treated in the same way as all other people were treated by this office. I have followed my regulations with reference to my dealings with Estes and with reference to Cotton Allotments and other matters within my employment.

"I have never received or accepted any gifts from Estes in consideration of my doing or not doing any thing for him. Last Christmas time and probably the Christmas time before that Billie Sol Estes on each of these two occasions sent a cured ham to my office as a Christmas gift to me personally. I accepted and retained these gifts as a matter of courtesy.

"On December 8, 1961 I went deer hunting on land believed leased by [redacted] Billie Sol Estes. I hunted one day in company with a group of other hunters. [redacted] was in this group, but Billie Sol was not. This group consisted of myself, [redacted] some of Billie Estes's employees and some farmers. There was about 7 or 8 persons in the group. This hunt took place on land leased by [redacted] Texas. I hunted on this occasion at his invitation, that is the invitation [redacted] I furnished my own gun and ammunition. A guide and meals for the day were furnished.

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"I have never accepted any money from Billie Sol Estes, his employees, agents or relatives at any time and to my knowledge none of the employees of my office have accepted any money from anyone.

"On one occasion last summer I was having lunch in the Continental Cafe in Pecos. I was alone. Billie Sol Estes came into the cafe with his wife. He saw me there. He got my check from the waitress and paid this check. He did this without saying anything to me. I think the check was for about 95 cents.

"This is the third year that I have been bowling on a local team in Pecos. This team is sponsored by the Farmers Company of Pecos. This company is one of Billie Sol Estes's companies. Estes never talked to me personally about this. But the Farmers Company paid the bowling association team fees and furnished shirts and bowling expenses to the team. The members of the team furnished their own bowling equipment.

"I have no knowledge that Billie Sol Estes or any of his employees, agents or relatives ever gave any gifts, money or other considerations to any agents or employees of the U. S. Department of Agriculture or any of the board members of the Reeves-Loving Committees of the ASCS.

"In the Fall of 1961, William MORRIS and employee of the U. S. Department of Agriculture, stationed in Washington, D. C. made a visit to Pecos. He came here to check on wilt disease of cotton and to hold a meeting with farmers at the Pecos Country club. This is the only time that I know of that Morris was in Pecos. On this occasion Billie Sol Estes had a breakfast for Morris in his home in Pecos. I attended this breakfast along with other persons of the community. There were about 25 or 30 persons there.

"Just a few days before Billie Sol Estes was arrested, EMERY JACOBS, an employee of the U. S. Department

EP 58-59

of Agriculture stationed in Washington, D. C. came to Pecos and made a speech to a dinner sponsored by the chamber of commerce. I do not know who invited JACOBS to do this. A dinner was held for JACOBS at Billie Sol Estes's home in Pecos. Billie Sol was not present at this dinner. There were about 16 persons present at this dinner including myself. This is the only time that I know of that JACOBS has been in Pecos.

"I have read this statement and the same has been read to me. It is true and correct.

"/s/ [redacted]

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"SUBSCRIBED AND SWORN TO before me, Willard D. Wharton, Special Agent, Federal Bureau of Investigation by [redacted] Texas this 20th day of April, 1962.

"/s/ Willard D. Wharton  
Willard D. Wharton,  
Special Agent, Federal  
Bureau of Investigation.

"Witness:

"/s/ [redacted] Special Agent, Federal Bureau of Investigation, at Pecos, Texas April 20, 1962.

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The following physical description of [redacted] was obtained as a result of personal interview and observation:

Name [redacted]

Home Address [redacted]

Texas

Birth Record [redacted]

Texas,

Marital Status [redacted]

Married, one son



## FEDERAL BUREAU OF INVESTIGATION

Date April 23, 1962

CLAUDE EDGAR DAVIS, born Howard County, Arkansas, July 10, 1897, and a resident of Post Office Box 218, Coyanosa, Texas, was interviewed at Pecos, Texas. At the time of the interview he was advised of the identity of the interviewing agents. He was also advised that he did not have to make any statement and that any statement made by him could be used in a court of law. He was further advised that no promises or other considerations could be made to him or would be made to him to induce him to make any statement and that any statement would have to be voluntary. He was further advised that he had the right to consult with an attorney but he stated that he did not desire to consult an attorney at that time.

Mr. DAVIS advised that he has lived in the vicinity of Pecos, Texas, since March of 1952 and that his principal occupation is that of farming and cattle raising. He stated that he either owns or leases a total of about 5600 acres and that he owns all of this land except approximately 1920 acres.

Mr. DAVIS further advised that he is the owner of the Palo-Duro Grain Company, located at Tulia, Texas. He stated that he began constructing this grain storage facility in about May or June of 1960 and that the last unit was completed in about December, 1961.

Mr. DAVIS advised that when he began the construction of the mentioned grain storage facility, BILLIE SOL ESTES of Pecos contributed in signed notes or cash approximately \$150,000 with the idea that ESTES was going to be a fifty-fifty partner in this facility. He stated that ESTES was unable to put up fifty per cent of the cost and that, therefore, DAVIS bought ESTES' interests in the grain storage company. He stated that the storage company was constructed by a builder, namely [redacted] Texas and that the total investment

On 4/20/62 at Pecos, Texas File # EP 58-59  
EP 29-351  
by SA WILLARD D. WHARTON / clp 14 Date dictated 4/23/62  
SA [redacted]

EP 58-59  
EP 29-351

in this storage facility is \$4,000,000. He stated that the facility has a storage capacity of about 18,790 bushels of grain.

Mr. DAVIS advised that at the present time he is indebted to Mr. ESTES in the amount of \$21,000 and that this amount would be considerable more if he is obliged to pay notes signed by ESTES for the construction of the grain storage facility. He stated that at the present time the storage facility is about fifty per cent full of grain and that eight or nine million bushels are being stored for the United States Government. He stated that he has posted a bond in connection with this grain storage facility with the M. O. Andrews Company. He also advised that his grain storage contracts with the Government have been temporarily suspended pending investigation by the Government into ESTES' activities.

Mr. DAVIS advised that he has been acquainted with BILLIE SOL ESTES since about March of 1952 and that he has bought fertilizers, farm supplies, and insecticides from ESTES.

Mr. DAVIS advised that a [redacted]  
Texas. [redacted] Palo-Duro Grain Company and has  
[redacted] He  
stated that [redacted]  
Government.

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Mr. DAVIS advised that in about June of 1960, BILLIE SOL ESTES came to him at Pecos and asked DAVIS to buy some anhydrous ammonia tanks. At that time ESTES stated that he needed more tanks but had reached his limit of credit. ESTES asked DAVIS to buy tanks and then to lease them back to ESTES. ESTES stated that he would make monthly payments on the tanks as the same became due.

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EP 29-351

Mr. DAVIS advised that following ESTES' suggestions he purchased 168 anhydrous ammonia tanks, all at one time. DAVIS, however, told ESTES that he, ESTES, could not have the money from the tanks but that he DAVIS would not agree to buy any tanks unless all of the money came to him. Mr. DAVIS advised that all together he received approximately \$247,000 from finance companies who financed the purchase of the ammonia tanks. Mr. DAVIS stated that ESTES told him that about \$47,000 had been held back by the finance company and that he, DAVIS, later learned that the C.I.T. Finance Company had stated that the amount was not \$47,000 but actually \$65,000. DAVIS advised that he is in the process of obtaining a release from the finance company and would pay them the \$65,000 that is due and would charge off the same against the amount that he, DAVIS, owes ESTES. Mr. DAVIS advised that according to the C.I.T. Finance Company, ESTES actually "took" DAVIS for \$65,000 on the ammonia tank deal.

Mr. DAVIS advised that in connection with his anhydrous ammonia tank purchases, he received direct from the Superior Manufacturing Company approximately \$240,000. He stated that of this amount the Superior Manufacturing Company paid ESTES by check \$50,000. Mr. DAVIS explained that when he heard ESTES had received this \$50,000 he immediately went to ESTES' office and demanded and obtained this money.

Mr. DAVIS advised that he never received delivery of any ammonia tanks which he purchased and that the understanding was that they were to be manufactured and sold to him by the Superior Manufacturing Company.

Mr. DAVIS advised that no one would lose a dollar on his account and that he had made arrangements to pay all of the money which he had received on the tank deal and that he had made arrangements with the finance companies to make payments on the tanks when the same became due. Mr. DAVIS

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advised that he believes that BILLIE SOL ESTES is a "split personality" and that in his opinion ESTES began to "crack up" about a year ago.

Mr. DAVIS advised that on one occasion, exact date not remembered, that he talked to ESTES at the Superior Manufacturing Company at which time he asked ESTES whether or not the ammonia tanks were free and unencumbered at which time ESTES stated that they were unencumbered.

On April 20, 1962, Mr. DAVIS made the following signed sworn statement to the interviewing agents:

"Pecos, Texas  
April 20, 1962

"I, Claude Edgar Davis, aged 64 years, a resident of Cayanosa, Texas, being first duly sworn upon my oath, hereby make the following voluntary sworn statement to Willard D. Wharton [redacted] who have identified themselves to me to be Special Agents of the Federal Bureau of Investigation. No threats or promises have been made to me to induce me to make this statement and I make this statement of my own free will. I have been advised that I do not have to make any statement and that this statement may be used in a court of law. I have been advised that I have the right to consult an attorney.

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"I am the sole and only owner of the Palo-Duro Grain Company, Tulia, Texas. This grain storage facility has been in operation since about June, 1960.

"In the beginning Billie Sol Estes of Pecos, Texas was to help me build the Palo-Duro Company. We had a verbal agreement to each put up an equal amount of money. Estes was unable to put up the money as agreed. Estes put in about \$150,000. I owe Estes this money, but he owes me around \$65,000.

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"The only personnel of U. S. Department of Agriculture I am acquainted with is Bill Morris. I met him once when he was in Pecos to attend a farmer's meeting about the skip row policy in planting cotton.

"I have never entertained, made any gifts to or paid any money to Mr. Morris or any employees of the local Agricultural Stabilization Conservation Service or any other agents or employees of the US Department of Agriculture or any other branch of the U. S. Government. I have never been asked to do any of these things.

"I have read this statement and it has been read to me and it is true and correct.

"/s/ Claude Edgar Davis

"April 20, 1962  
Pecos, Texas

"Subscribed and sworn to before me, Willard D. Wharton, Special Agent, Federal Bureau of Investigation, this 20th day of April, 1962.

"/s/ Willard D. Wharton  
Special Agent,  
Federal Bureau of Investigation

"Witness:

"/s/  Special Agent, Federal Bureau of Investigation, at Pecos, Texas, April 20, 1962."

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## FEDERAL BUREAU OF INVESTIGATION

Date April 23, 1962

[redacted] Pecos Daily News, 322 South Cedar, advised that the Pecos Daily News is owned and operated by the Pecos Printing Company, Incorporated. He Pecos, Texas stated that their first edition was published on August 1, 1961.

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[redacted] advised that BILLIE SOL ESTES owns approximately 81% of the stock of the Pecos Printing Company and the bulk of this is being held by the First National Bank at Pecos pending full payment to [redacted]

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[redacted] He said that it is his understanding that a good portion of this stock has been pledged as security on various loans made by BILLIE SOL ESTES.

[redacted] advised that ALICE MORRIS has been writing an article for the Pecos Daily News captioned "Captial Comment". He said her first article appeared on October 22, 1961, and continued through the present time in each Sunday edition. [redacted] said ALICE MORRIS is not on the payroll of the Pecos Daily News or the Pecos Printing Company; however, on instructions originating from BILLIE SOL ESTES, two checks of the Pecos Printing Company, each for \$296, were issued to her February and March, 1962. [redacted] advised that no additional payments of any kind have been made to ALICE MORRIS to the best of his knowledge.

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On 4/20/62 at Pecos, Texas File # EP 29-351  
by SA [redacted] 19 Date dictated 4/23/62  
SA [redacted] cfp

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## FEDERAL BUREAU OF INVESTIGATION

Date April 23, 1962

[REDACTED]

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[REDACTED] BILLIE SOL ESTES  
at Pecos, Texas. [REDACTED]

b6  
b7C

[REDACTED] Mr. ESTES  
was apparently having many difficulties [REDACTED]

[REDACTED]

[REDACTED] Mr. ESTES as  
[REDACTED] Farmers Company, Pecos, Texas. His

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[REDACTED]

[REDACTED] said that during the off season of  
[REDACTED] he would go to East Texas and Oklahoma  
and sell land to displaced owners, to which land the owners  
would transfer their cotton allotments, and Mr. ESTES would  
then lease the land from these persons and would farm it.  
The land sold to these farmers was located in Pecos and Reeves  
Counties and was land that was owned by BILLIE SOL ESTES.

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[REDACTED] said that the first and only time he  
met Mr. WILLIAM MORRIS of the Department of Agriculture,  
was in about October, 1961. He said he met Mr. MORRIS at  
the Hilton Inn in El Paso where several members of the ESTES  
organization were staying during the Cotton Festival which  
was going on in Fabens, Texas.

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[REDACTED] said he knew that Mr. MORRIS was the guest  
of the Farmers Company at the Hilton Inn Motel. He did not

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On 4/19/62 at [REDACTED] Texas File # EP 58-59

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by SA ROY C. DAHL 20 Date dictated 4/19/62

EP 58-59

know if Mr. ESTES paid the expenses of the trip to El Paso for Mr. MORRIS, however, this was shortly after Mr. MORRIS and Mr. ESTES were together in Dallas, Texas, as well as he could remember.

He did know that BILLIE SOL ESTES paid the hotel bill for Mr. MORRIS at the Hilton Inn in El Paso and this was for one night only.

He said he knew of no money or other favors that Mr. ESTES gave to or did for Mr. WILLIAM MORRIS.

[redacted] said that [redacted]

[redacted] Mr. ESTES. He said that he [redacted]

[redacted] BILLIE SOL ESTES. / [redacted]

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Texas



EP 58-59

Re: Efforts to Interview BILLIE SOL ESTES:

On April 16, 1962, SAC FRANCIS E. CROSBY telephoned [redacted] Turpin, Kerr, Smith and Dyer, law firm at Midland, Texas, for purposes of arranging an interview with BILLIE SOL ESTES. [redacted] stated that he would talk with [redacted] ESTES at Pecos.

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On April 17, 1962, [redacted] telephoned SAC CROSBY stating that he had talked with [redacted] who in turn had talked with Mr. ESTES, and that he was sorry, but they wanted to make no statement at all.

## FEDERAL BUREAU OF INVESTIGATION

Date April 24, 1962

[redacted]  
furnished the following additional allegations which originated through various sources available to him:

1. A sales ticket dated September 8, 1961, was made out to ORVILLE FREEMAN by Neiman-Marcus at Dallas, Salesman BOB WATSON, for a Vicuna suit for \$395 and two pairs of allegator shoes for \$245, for a total of \$640. The sales ticket purportedly bears the notation "Paid for by ESTES with \$100 bills." A Photostat or copy of this sales slip has allegedly been shown to one [redacted] Texas.

2. Commercial Solvents at New York City about two years ago allegedly got into serious financial trouble and was "bailed out" by LADYBIRD JOHNSON. He said that it is not known by his sources whether Mrs. JOHNSON purchased a block of their stock or the exact manner in which she might have assisted the company in solving their financial problem. Mrs. Lyndon B. Johnson

3. [redacted]  
[redacted] BILLIE SOL ESTES, [redacted]  
[redacted] ESTES in the past and is now living [redacted] Texas. Last week  
ESTES [redacted]

4. ESTES allegedly gave, or contributed to the purchase of, a twin engine plane to LYNDON B. JOHNSON. This plane was involved in a crash in which the pilot and co-pilot were killed. The accident occurred in the San Antonio, Texas, area and was investigated by the flight safety officer at San Antonio, Texas. The Insurance Company of North America, Philadelphia, Pennsylvania, held the policy and paid off immediately after the accident.

On 4/17/62 at Pecos, Texas File # EP 58-59  
by SA [redacted] 23  
SA [redacted] jlk Date dictated 4/19/62

*Removed from 29-28704-159*

Date 4/19/62

DIC  
Mr. Walter Jenkins, Executive Assistant to the Vice President, was interviewed on 4/18/62. Mr. Jenkins was advised that with respect to this investigation, an allegation had been received that subject Estes on one occasion had given the Vice President a twin engine plane. It was indicated this plane was later involved in a crash which killed the pilot and co-pilot.

Mr. Jenkins was also advised that the second matter to be discussed with him did not concern an allegation or criticism of Mrs. Lady Bird Johnson, however, the Director wanted the Vice President to know that in connection with this investigation a statement had been made by one source reflecting that at one time Commercial Solvents Company had gotten into serious financial trouble and was "bailed out" by Mrs. Johnson.

Due to the Vice President's unavailability, Jenkins advised he could handle this matter without any difficulty whatsoever, however, he would telephonically contact the Vice President and advise him of the matter without delay. He stated that for the record the Vice President hardly knew Estes. He possibly met him at a State Democratic Convention in Texas on one occasion, however, had never known him at all until January, 1962, when Estes came to Washington to attend a Democratic dinner. Jenkins mentioned that the twin engine plane in question cost approximately \$225,000 and was ordered and paid for by the then Senator Johnson. He stated that as a matter of fact the insurance moneys received as a result of the fatal crash allowed the Vice President to complete total payments for the plane. Jenkins made it quite clear that Vice President Johnson had not known Estes at the time the plane was purchased, furthermore, that Mrs. Johnson had never heard of the Commercial Solvents Company and, as a matter of fact, only knew Estes through reading about him in the newspapers.

Jenkins stated that the Vice President on one occasion had sent Estes an autographed photograph at Estes' specific request. Jenkins mentioned that no importance should be attached to this fact inasmuch as the Vice President sends out 50 autographed photographs per day and, as a matter of fact, sends them out to anyone who asks for one.

Also on 4/18/62, Jenkins stated that the Vice President once again wanted to deny that he had ever had any dealings whatsoever with Estes. The Vice President also desired to make it a matter of record that anyone that had put out a malicious rumor or lie of this

On 4/18/62 at Washington, D. C. 24 File # 29-28704  
by Assistant Director C. D. De Loach /imc Date dictated 4/19/62  
E1 Paso #29-351

Removed from 29-28704-159

of this particular nature should definitely be considered for prosecution. Jenkins stated that undoubtedly the person that reported this information had an ulterior motive.

Jenkins advised that the plane in question was purchased from the Brazos-Tenth Street Corporation, Austin, Texas. For a while it was leased on a part-time basis to the Democratic National Committee, and on a part-time basis to the Office of the then Senator Johnson before the Senator purchased it outright.

Mr. Jenkins stated he wanted to reiterate once again that Mrs. Lady Bird Johnson had never heard of the Commercial Solvents Company which she was alleged to have bailed out of financial difficulty. He further added that Mrs. Johnson had never met nor heard of subject Estes except through reading about him recently in newspapers.

Date 4/19/62

Secretary of Agriculture Orville Freeman was interviewed on 4/18/62. Mr. Freeman was advised that an allegation had been received that he had received a vicuna suit and two pairs of alligator shoes from Estes.

Mr. Freeman appeared shocked upon receiving this information and stated that it was "a goddam lie." He said that he had only met Estes on one occasion and that time in his, the Secretary's, reception room. He said that he only shook hands with Estes and had had nothing to do with him.

He indicated that he would like to know whether the source of our information was employed by the Department of Agriculture as he felt that many employees who might have grievances would report such untrue allegations.

Secretary Freeman picked up the telephone, called the Attorney General, and asked the Attorney General what he should do. It is not known what the Attorney General told him, but he assured the Attorney General that he had never received any presents from Estes. He implied to the Attorney General that this might be some political trick to embarrass the Administration particularly in Texas.

Mr. Freeman was furnished only the allegation set out above and no comments were made concerning it. He expressed his appreciation for the Director's thoughtfulness in furnishing him this information and stated he wanted to assure Mr. Hoover that there was not a word of truth to it.

On 4/18/6 at Washington, D. C. File # 29-28704  
by SA Bernard A. Wells, Jr. /imc Date dictated 4/19/62  
B1 Paso #29-351

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# FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>LITTLE ROCK</b>	OFFICE OF ORIGIN <b>DALLAS</b>	DATE <b>4-24-62</b>	INVESTIGATIVE PERIOD <b>4/20-23/62</b>
TITLE OF CASE <b>0 BILLIE SOL ESTES; ET AL</b>		REPORT MADE BY <b>VINCENT H. LAMMERS</b>	TYPED BY <b>lbm</b>
		CHARACTER OF CASE  <b>BRIBERY, CONFLICT OF INTEREST</b>	

SYNOPSIS

REFERENCE: Dallas teletype to the Bureau, 4-20-62;  
Report of SA MANNING C. CLEMENTS, 4-20-62, at Dallas;  
Dallas airtel to Little Rock, 4-21-62.

-RUC-

-A\*-  
COVER PAGE

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:		29-28704-160	REC-72
4 - Bureau (29-28,704)		11 APR 26 1962	REC-30
3 - Dallas (58-188)			ET 12
(1 - USA, Fort Worth)			
3 - El Paso (29-351)			
(1 - USA, El Paso)			
1 - Little Rock (58-61)			

1 cc (apt) Dept. 1 cc Dept. (Crim. Div.)

4-26-62

5/18/62

TWC:imc

yab:imc

1 cc returned 5/13/62

1 cc destroyed 3-3-69

52 MAY 1 1962  
50 MAY 17 1962  
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EXP-PROC

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Fort Worth  
1 - USA, El Paso

Report of: VINCENT H. LAMMERS  
Date: April 24, 1962

Office: LITTLE ROCK

File Number: 58-61

Bufile: 29-28,704

Title: BILLIE SOL ESTES;  
JAMES T. RALPH, Assistant Secretary  
of Agriculture, U. S. Department of  
Agriculture, Washington, D.C.:  
WILLIAM E. MORRIS, Administrative  
Assistant to Assistant Secretary of  
Agriculture, Washington, D.C.:  
EMERY E. JACOBS, Former Deputy Admin-  
istrator, Agricultural Stabilization  
and Conservation Service, U. S.  
Department of Agriculture, Washington,  
D.C.:

[REDACTED]  
Agricultural Stabilization and Conser-  
vation Service, U. S. Department of  
Agriculture, Washington, D.C.

b6  
b7C

Character: BRIBERY, CONFLICT OF INTEREST

Synopsis: RAYMOND E. TOWNSEND, former salesman, Mens Furnishings, Neiman-Marcus (N-M), Dallas, Texas, in sworn statement identified photo of subject ESTES who he knew only as customer of N-M; denied ever having seen Dr. JAMES T. RALPH, WILLIAM E. MORRIS, EMERY E. JACOBS. Purchases made from Mens Furnishings by ESTES made through BOB WATSON, salesman, Mens Clothing Department, N-M. TOWNSEND recalls sales made per N-M tickets 65876-11, 63194-14, 63194-16, adding merchandise identified on these tickets recorded on the tickets by TOWNSEND from information furnished by WATSON. WATSON paid cash for merchandise identified in ticket 65876-11. Ticket 63194-16 was substituted for ticket 63194-15, possibly because latter was illegible and also to include handkerchiefs. TOWNSEND has no knowledge of transaction involving refund to and purchase of shirts by Dr. RALPH. TOWNSEND denies having any knowledge of gifts presented to representatives of U. S. Government by subject ESTES. ESTES MAY HAVE SUICIDAL TENDENCIES.

-RUC-



LR 58-61

DETAILS:

The following sworn statements were furnished by  
RAYMOND E. TOWNSEND:

"Little Rock, Arkansas,  
April 23, 1962.

(R.E.)

B. APPROX. 1967

"I, ~~RAYMOND E. TOWNSEND~~, being duly sworn, make the following free and voluntary statement to Vincent H. Lammers who I know to be a Special Agent of the FBI. I have been advised that this statement is being given in connection with an official investigation being conducted by the FBI and may be used in a court of law.

"I am 53 years of age, can read and write the English language having completed Junior High. I reside 1307 A, West Capitol Street, Apartment 5, Little Rock, Arkansas.

"In Sept. 1954, I was employed by Neiman-Marcus, Main and Ervay Streets, Dallas, Texas, as a salesman in Men's Furnishings. I discontinued this employment in Jan. 1962.

"I have examined a newspaper photograph of an individual who I know to be BILLY SOL ESTES. I saw MR. ESTES on three occasions while I was employed at Neiman-Marcus (N-M). Each time I saw him at the store, he was on third floor, Men's Clothing Department. The salesman that normally waited on MR. ESTES was MR. BOB WATSON, a salesman in Men's Clothing. MR. WATSON would furnish me from a longhand note as to what items MR. ESTES wanted to purchase from Men's Furnishings. Sometimes MR. WATSON would assist me in selecting the merchandise, especially ties. With respect to shirts, MR. WATSON would just tell me what quantity he desired and I knew from past experience the kind of shirt he always purchased, namely, Sea Island Cotton. I do not recall the size shirt MR. ESTES wore.



"I have examined what appears to be a true copy of original N-M Sales ticket, 65876-11. This ticket was prepared in full by myself. I specifically recall the circumstances surrounding the preparation of this ticket, and these circumstances are as follows: MR. BOB WATSON, previously identified, came to Men's Furnishings, and together MR. WATSON and myself selected the items shown on this sales ticket copy. I remember that MR. WATSON paid me in cash the total amount shown on the ticket, and told me to send the items to the person identified on the ticket, namely, PEGGY ANN CAMPBELL, 4500 Conn. Ave., Apartment 401, Washington, D.C. I do not know for whom these items were purchased or by whom they were purchased. MR. WATSON did not tell me. I recall very distinctly that MR. ESTES was in N-M sometime prior to the time I filled out this order. I do not remember, however, whether or not there was anyone with him at the time.

"I have read the above statement consisting of this and one other page and it is true and correct to the best of my memory.

/s/ "R. E. Townsend

"Sworn to and subscribed to before me this 23rd day of April, 1962 at Little Rock, Arkansas, /s/ "Vincent H. Lammers, Special Agent, F.B.I.

"Witness:

/s/ "Thompson Berry Webb, Special Agent. FBI, Little Rock, Ark 4-23-62."

\* \* \* \*

"Little Rock, Arkansas,  
April 23, 1962.

"I, Raymond E. Townsend, being duly sworn, furnish the following signed statement to Vincent H. Lammers who I know to be a Special Agent of the FBI. I have been advised that this statement is being

"given in connection with an official investigation being conducted by the FBI and may be used in a court of law.

"I am 53 years of age and can read and write the English language. I completed Junior High. I reside 1307 A, West Capitol Street, Apartment 5, Little Rock, Arkansas.

"In Sept. 1954 I was employed by Neiman-Marcus (N-M), Main and Ervay Streets, Dallas, Texas., as a salesman in Men's Furnishings. I discontinued this employment in Jan. 1962.

"I have examined a newspaper photograph of an individual who I know to be BILLIE SOL ESTES. I saw MR. ESTES on three occasions while I was employed at N-M. Each time I saw him at the store he was on the third floor, Men's Clothing Department. The salesman that normally waited on MR. ESTES was MR. BOB WATSON, a salesman in Men's Clothing. MR. WATSON would furnish me from a longhand note, as to what items MR. ESTES wanted to purchase from MEN'S FURNISHINGS. Sometime MR. WATSON would assist me in selecting merchandise, especially ties. With respect to shirts, MR. WATSON would just tell me what quantity he desired and I knew from past experience the kind of shirt he always purchased, namely, Sea Island Cotton. I do not recall the shirt size MR. ESTES wore.

"I have examined what appears to be a true copy of N-M sales check number 63194-14, dated Sept. 9, 1961. I note the items identified on the ticket were to be charged to the account of BILLIE SOL ESTES, Box 1052, Pecos, Texas. I remember definitely that MR. WATSON furnished me with the information necessary to prepare this order. The items identified were delivered to MR. WATSON for disposal. I do not know if it was carried from the store personally, or mailed to MR. ESTES. If it would have been mailed from my department the top portion of the ticket, or check, should have been filled in with the identity of the addressee.

"I have examined what appears to be a true copy of N-M sales check number 63194-15, dated Sept. 9 (1961). This ticket, or check, is marked 'void', with a notation, 'see #16.' I have also examined N-M Sales check number 63194-16, dated 9/9 (1961) and note that the items on both checks are identical, except on 63194-16, there are two additional items of handkerchiefs. My only explanation for 63194-15 being marked 'void' is that I forgot to include the handkerchiefs on the first ticket and also to make a neater copy.

"I recall this sale was handled similar to other sales, from my department, to MR. ESTES, that is, MR. WATSON furnished me with information from longhand notes. MR. WATSON selected the ties and handkerchiefs while I selected the shirts. I do not know from memory and I am unable to tell from the sales check the size of the shirts sold on this ticket.

"I recall that the day I prepared the above tickets I observed MR. ESTES, in the suit department, third floor -N-M. He was sitting in a chair and carrying on a conversation with MR. BOB WATSON, salesman and two other men whose names I do not know. I have not seen these two other men before, nor have I seen them since. I have viewed photographs displayed to me by MR. LAMMERS, of the following persons: JAMES T. RALPH, EMERY E. JACOBS and WILLIAM E. MORRIS, and I am unable to state that I have ever seen either of these persons before.

"I have examined Returned Merchandise Authorization, dated 10/24/61, addressed to DR. JAMES RALPH, 5922 Seacliff Rd., Mc Lean, Virginia, and related Merchandise Refund check number 1416-28. I am unable to determine from these tickets if the shirts identified thereon are shirts that I sold while at N-M.

"I have examined N-M Sales Check, 65869-4, dated 10/24(1961), addressed to DR. JAMES RALPH.

LR 58-61

"The large 'T' at the top of the ticket indicates the merchandise identified thereon was carried out of the store by the purchaser. I did not handle this transaction and I am unable to identify the ha nd writing on the ticket.

"I do not know now, nor have I ever known any associates or friends of MR. ESTES, by name or sight. I do not know of a single case where MR. ESTES presented a gift to any person representing the United States Government.

"I have read The abuve statemet consiting of this and two other Pages and it is true and Carrect to the best of my memary.

/s/ "R.E.Townsend

"Sworn to and subscribed to before me this 23rd day of April, 1962 at Little Rock, Ark., /s/ "Vincent H. Lammers, Special Agent, F.B.I.

"Witness:

/s/"I. Gayle Shuman, Special Agent, FBI, Little Rock, Ark\_ 4-23-62"

\*

\*

\*

\*

F B I

Date: 4/25/62

Transmit the following in PLAIN TEXT  
(Type in plain text or code)Via AIRTEL  
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (9-28704)  
FROM: SAC, DALLAS (58-188) (P)  
SUBJECT: BILLIE SOL ESTES, aka., ETAL  
BRIBERY, CONFLICT OF INTEREST

OO: DALLAS

Rerep SA(A) CHARLES J. KELLERMAN, 4/23/62, Kansas City, Missouri.

On Page 4, item (8) <sup>REFERS TO</sup> ~~reports~~ of letter of [ ]  
AMS Examiner to "JAKE".

Request Kansas City interview [ ] to determine identity of "JAKE", it being noted "JAKE" is a nickname of subject EMERY E. JACOBS. It is noted CARL J. MILLER, Chief U. S. Warehouse Branch, AMS Washington, appears to be the person who would normally pass on matters concerning licensing of elevators. The "J" in his name may, of course, stand for "JAKE".

In the event [ ] identifies "JAKE" as subject JACOBS, request he be questioned specifically as to why letter, which by nature of salutation would seem to be somewhat personal, was written to JACOBS, rather than MILLER, who would appear to be [ ] superior.

ESTES MAY HAVE SUICIDAL TENDENCIES.

LYNUM

89-28704-161

3 - Bureau  
1 - Kansas City (58-194)  
2 - Dallas  
MCC/cjr  
(6)

REC-72

25 APR 27 1962

CHANDLER  
SIX

Approved: \_\_\_\_\_

Sent \_\_\_\_\_ M Per \_\_\_\_\_

Special Agent in Charge

C. C. Wick  
67 MAY 1 - 1962

## Memorandum

TO : Mr. Belmont *MB*

FROM : C. A. Evans *CAE*

SUBJECT: BILLIE SOL ESTES

DATE: 4/26/62

Tolson \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Callahan \_\_\_\_\_  
 Conrad \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 Evans \_\_\_\_\_  
 Malone \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Sullivan \_\_\_\_\_  
 Tavel \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Holmes \_\_\_\_\_  
 Gandy \_\_\_\_\_

[redacted] Secretary of Agriculture, called. He advised he had just spoken with the Secretary, who is in Milwaukee, and who is returning to Washington today. [redacted] told Secretary Freeman he, [redacted] had received a telephone call from Dr. Ralph, one of the Agriculture employees who has been accused of receiving gifts from Estes. Dr. Ralph told [redacted] that he wanted to take another week for Reserve Officer Military Training in Oklahoma. [redacted] indicated he had told Ralph that there appeared to be no objection to this but he should check back with the Secretary's office later today. Secretary Freeman told [redacted] that he should bring this matter to the attention of the FBI.

I told [redacted] that this did not seem to be a matter which concerned the FBI or which called for any comment from us. It was pointed out to [redacted] that this entire matter, including the charges against Dr. Ralph, is in the hands of the Criminal Division of the Department of Justice. In view of this it was suggested to [redacted] that he might want to get in touch with the office of the Assistant Attorney General in charge of the Criminal Division. [redacted] said he would do this.

- 1 - Mr. Mohr
- 1 - Mr. DeLoach
- 1 - Mr. Rosen
- 1 - Mr. Sullivan

CAE:maw  
 (8)

REC-72

29-28704-162

17 APR 30 1962

67 MAY 1 - 1962

# FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>LOS ANGELES</b>	OFFICE OF ORIGIN <b>DALLAS</b>	DATE <b>4/20/62</b>	INVESTIGATIVE PERIOD <b>4/19/62 - 4/20/62</b>
TITLE OF CASE  <b>BILLIE SOL ESTES; DR. JAMES T. RALPH; WILLIAM E. MORRIS; EMERY E. JACOBS, aka "Red";</b> [Redacted]		REPORT MADE BY [Redacted]	TYPED BY <b>rg</b> b6 b7C
		CHARACTER OF CASE  <b>BRIBERY - CONFLICT OF INTEREST</b>	

REFERENCE:

Dallas teletype to Bureau 4/18/62.

- RUC -

ENCLOSURES

TO DALLAS

One Hilton Carte Blanche Credit Card Application form prepared by BILLIE SOL ESTES.

Two credit reports prepared by Retail Merchants Association, Pecos, Texas, on BILLIE SOL ESTES.

One Hilton Carte Blanche credit card application form prepared by BILLIE SOL ESTES, requesting credit card for [Redacted]

- A -

COVER PAGE

APPROVED: <b>WGS</b>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:  ③ - Bureau (AM) 2 - Dallas (Enc. 60) (AM) 1 - El Paso (info) 1 - Los Angeles (58-497) E.B.I.		<b>29-22704-163</b> APR 25 1962 REC-72 REC-30	
		NOTATIONS <i>Amie Du</i> <i>WGS</i> <i>5/18/62</i>	
DISSEMINATION RECORD OF ATTACHED REPORT			
AGENCY REQUEST RECD.	DATE FWD.	HOW FWD.	BY
1 cc [Redacted]	1 cc [Redacted]	1 cc [Redacted]	1 cc [Redacted]
5/18/62	5/18/62	5/18/62	5/18/62

LA 58-497

One Dun and Bradstreet report prepared on BILLIE SOL ESTES.

23 photostats reflecting purchases made on Hilton Carte Blanche credit card number 947 068 708 9.

Three photostats reflecting purchases made on Hilton Carte Blanche credit card number 947 030 001 4.

29 photostats reflecting purchases made on Hilton Carte Blanche credit card number 947 066 191 0.

ADMINISTRATIVE

H. RAWLINS OVERTON, Vice President, Hilton Carte Blanche, 8544 Sunset Boulevard, advised that in October, 1961, a letter was received from the manager of the Statler Hilton Hotel, Dallas, Texas, advising that ESTES had resided at the Statler Hilton Hotel in Dallas and had attempted to cash a check in excess of \$200.00 and the check was refused as his credit card entitled him to cash checks only up to \$200.00. The manager of the hotel advised that ESTES was very upset. Based on ESTES' complaint, he was issued Hilton Carte Blanche credit card number 947 030 001 4, which is known as a "presidential preferred card". This card entitled ESTES to cash checks up to \$1,000.00.

Mr. OVERTON advised that the information regarding the issuance of the "presidential preferred card", must be held in the strictest confidence as very few of this type card have been issued and Hilton Carte Blanche does not desire that the existence of this type card become known.

- B\* -

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:

[REDACTED]

Office: Los Angeles, California

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Date:

April 20, 1962

Field Office File No.:

58-497

Bureau File No.:

Title:

BILLIE SOL ESTES; DR. JAMES T. RALPH;  
WILLIAM E. MORRIS; EMERY E. JACOBS, aka  
"Red"; [REDACTED]

Character:

BRIBERY - CONFLICT OF INTEREST

Synopsis:

BILLIE SOL ESTES issued Hilton Carte Blanche credit cards numbered 947 066 191 0, in February, 1960, in the name BILLIE SOL ESTES, B. S. Estes Enterprises; number 947 068 708 9, in March, 1960, in the name BILLIE SOL ESTES, Country Club at Stafford; and number 947 030 001 4, in November, 1961, in the name BILLIE SOL ESTES, BILLIE ESTES ENTERPRISES. Charges totaling \$1,712.00 made on card number 947 066 191 0; \$1,161.00 made on card number 947 068 708 9; and \$127.00 made on card number 947 030 001 4. All three accounts have been closed by Hilton Carte Blanche due to unfavorable newspaper publicity received by ESTES. Hilton Carte Blanche credit card number 947 079 102 2, issued to Superior Manufacturing Company, 4110 Northeast Eight Street, Amarillo, Texas, in September, 1960, based on request received from ESTES. Cards on this account were issued to [REDACTED]

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[REDACTED] This account closed 4/17/62, upon request of Superior Manufacturing Company. Records, Hilton Carte Blanche, reflect no purchases made on card number 947 068 708 9, in September or October, 1961, however, records indicate that payments of \$65.90, and \$337.01, were received from ESTES on charges made on card number 947 066 191 0.

- RUC -

DETAILS:

Date 4/20/62

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- 2 -

On 4/19/62 at [redacted] California File # LA 58-498.1  
by SA [redacted] /rg Date dictated 4/20/62

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LA 58-497

[redacted] advised that the records concerning [redacted] will be made available in court only upon the issuance of a subpoena duces tecum. He stated that the subpoena should be directed to [redacted] [redacted] in the event the records are desired.

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Date 4/20/62b6  
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b7DOn 4/20/62 at [redacted] California File # LA 58-497by SA [redacted] rg Date dictated 4/20/62b6  
b7C

LA 58-497

[redacted] again advised that the records of  
[redacted] will be made available in court only  
upon the issuance of a subpoena duces tecum.  
[redacted] stated the subpoena should be directed to him, [redacted]  
[redacted]

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# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>DALLAS</b>	Office of Origin <b>DALLAS</b>	Date <b>4/20/62</b>	Investigative Period <b>4/12-20/62</b>
TITLE OF CASE <b>CHANGED</b>		Report made by <b>SA MANNING C. CLEMENTS</b>	Typed By: <b>DM</b>
BILLIE SOL-ESTES; DR. JAMES T. RALPH, Assistant Secretary of Agriculture, U. S. Department of Agriculture, Washington, D. C.; WILLIAM E. MORRIS, aka., William Edgar Morris, William Eugene Morris, Administrative Assistant to Assistant Secretary of Agriculture, U. S. Department of Agriculture, Washington, D. C.; EMERY E. JACOBS, aka., "Red", "Jake", Former Deputy Administrator, Agricultural Stabilization and Conservation Service, U. S. Department of Agriculture, Washington, D.C.; Agricultural Stabilization and Conservation Service, U. S. Department of Agriculture, Washington, D.C.		CHARACTER OF CASE  <b>BRIBERY, CONFLICT OF INTEREST</b>	

b6  
b7C per FBI

Title is changed to reflect names WILLIAM EDGAR MORRIS and WILLIAM EUGENE MORRIS by which subject WILLIAM E. MORRIS has been known, and to add "JAKE", a nickname of subject JACOBS.

## REFERENCES

Dallas teletypes to Bureau, 4/12, 13, 16, 17, 18, 19, 20/62.  
El Paso teletypes to Bureau, 4/16, 17, 18, 19/62.  
Houston teletype to Bureau, 4/18/62.

Approved <i>[Signature]</i>	Special Agent In Charge	Do not write in spaces below	
Copies made: <b>4 - Bureau (29-28704)</b> <b>4 - Dallas (58-188)</b>		<b>29-28704-164</b>	<b>REG-72</b>
COPIES CONTINUED COVER PAGE B		<b>17 APR 23 1962</b>	<b>REG-62</b> <b>EX-115</b>
		b6 b7C per FBI	

1 cc (repl) Dept 53 5 na 111.01  
4-23-62  
52 MAY 1 1962  
1 cc Dept  
5/18/62  
1 cc destroyed  
2-2-61  
Civil Div  
Curran  
STAT. SECT.

DL 58-188

- 1 - USA, Fort Worth
- 3 - El Paso (29-351)(1 - USA, El Paso)
- 2 - Houston
- 2 - Kansas City
- 2 - Little Rock (Enc. 6)
- 2 - Los Angeles
- 2 - New York
- 2 - Oklahoma City
- 1 - San Antonio (Info)
- 2 - Washington Field

DL 58-188

New Orleans teletype to Bureau, 4/19/62.  
Oklahoma City airtel to Bureau, 4/18/62.  
San Antonio teletype to Bureau, 4/19/62.  
Washington Field teletypes to Bureau, 4/18, 19, 20/62.  
Bureau airtel, 4/16/62.

- P -

ENCLOSURES

To Little Rock (6) - One photograph each of Dr. JAMES T. RALPH, WILLIAM E. MORRIS, EMERY E. JACOBS, and BILLIE SOL ESTES, and one reproduction of Neiman-Marcus sales ticket No. 65876-11, dated 10/25(61), in amount of \$190.90, and reproductions (one sheet) of Neiman-Marcus sales tickets Nos. 63194-14 and 63194-16 dated 9/9/61, in the amounts of \$166.91 and \$179.92, respectively.



DL 58-188  
EP 29-351

LEADS:

Leads have been set out by tel and are not being repeated in full hereinafter.

SAN ANTONIO & INFORMATION

One copy to San Antonio for information since it may be desirable for that office to contact Texas AG WILL WILSON.

EL PASO

[REDACTED] TEXAS

1. Report efforts to interview ESTES.
2. Report interviews with [REDACTED] C. E. DAVIS, [REDACTED] in whose names grain warehouses are on record with USDA as owners, whereas ESTES has reported interest.
3. Report results of investigation re possible USDA influence for ESTES in cotton allotments.

[REDACTED] TEXAS

Report interview of [REDACTED]  
[REDACTED] as to knowledge of subjects, gifts, bribes or offers, preferential treatment to ESTES by USDA employees, interest of USDA employees in ESTES' businesses or of ESTES in private businesses of USDA employees.

HOUSTON

AT COLLEGE STATION, TEXAS

Report results of contact with Texas ASCS Committee, System of Cotton Allotments.

KANSAS CITY

AT WICHITA, KANS.

DL 58-188  
EP 29-351

Report investigation at Agricultural Marketing Service, USDA, O. P. HARREN, Director, re contacts and correspondence with ESTES re U. S. Warehouse Act grain elevators, re bonds of ESTES; interview HARREN and other appropriate personnel re gifts, bribes, offers to USDA employees; re USDA employee interest in ESTES' businesses or ESTES in private businesses of USDA employees.


LITTLE ROCK

AT LITTLE ROCK, ARK.

Interview RAYMOND E. TOWNSEND, former Neiman-Marcus salesman, Dallas, re sales tickets described in tel, 4/20/62 and enclosed; exhibit photos of subjects, enclosed.



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 issuance of subpoena  
duces tecum.

NEW YORK

AT NEW YORK, N.Y.

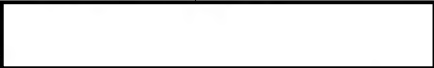

Interview appropriate personnel at Commercial Solvents Co. re files of ESTES reportedly seized by them at Pecos, Texas, to see if any information therein is pertinent to this investigation.

OKLAHOMA CITY

AT OKLAHOMA CITY, OKLA.

Report efforts to interview subject JACOBS.

WASHINGTON FIELD

  
1. Obtain copy of report of   
10/27/61, Dallas, ASCS, investigation re ESTES' cotton allotments.

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DL 58-188  
EP 29-351

2. Report pertinent data from travel vouchers of subjects in USDA files with special reference to points in Texas.

3. Report interviews with USDA personnel and results of file searches re USDA dealings with ESTES, personally or by other means.

4. Consider desirability for locating and examining bank accounts and checking telephone toll calls of subjects.

5. Report interviews with subject RALPH and any other subjects located.

6. Report background and physical description of

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7. Report results of interviews with USDA personnel present in Dallas for meetings on 10/23-25/61.

ADMINISTRATIVE DATA

Attention is directed to case entitled "BILLIE SOL ESTES; COLEMAN DELBERT McSPADDEN; HAROLD EUGENE ORR; RUEL WADE ALEXANDER; Superior Manufacturing Company; ITSP - MAIL FRAUD, CONSPIRACY", Bufile 29-28704, El Paso origin, their file 29-351, Dallas 29-1096. A separate file, with Dallas as origin, was opened in connection with instant matter inasmuch as incidents on which original allegations of possible bribery are based occurred in Dallas Division. All offices are requested to furnish El Paso office copies of reports or other communications reflecting investigation in the bribery matter.

Bureau and Oklahoma City Office attention is directed to cases styled " WILLIAM EUGENE MORRIS, SI, House Appropriations Committee", and "WILLIAM EDGAR MORRIS, BUAP - TYPIST". Oklahoma City airtel, 4/14/54, stated it appeared subjects of the two cases were identical and reflects WILLIAM EDGAR MORRIS reportedly exhibited a CP membership card to a former employer at Tulsa, Oklahoma, in 1939. This person's birthdate and birthplace are identical with birth data supplied by Washington Field Office by teletype, 4/19/62, relative to subject MORRIS in this case.

The name of [REDACTED] ASCS, USDA, was included in original communications in view of the reported presence in Dallas of [REDACTED] with other subjects during pertinent periods. No allegations have been received against [REDACTED] and investigation has not disclosed any inference of wrongdoing on his part. In the event no derogatory information justifying contrary action is developed by other offices, his name will be deleted from future reports.

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Since investigation in this matter was requested by the U. S. Department of Agriculture through the Department of Justice, no letterhead memorandum is being submitted.

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, Fort Worth, Texas  
1-USA, El Paso, Texas

Report of: SA MANNING C. CLEMENTS  
Date: 4/20/62

Office: DALLAS

Field Office File No.: Dallas 58 - 188

Bureau File No.: 29 - 28704

Title: BILLIE SOL ESTES;  
JAMES T. RALPH, Assistant  
Secretary of Agriculture, U. S.  
Department of Agriculture, Washington,  
D.C.;  
WILLIAM E. MORRIS, Administrative  
Assistant to Assistant Secretary of  
Agriculture, Washington, D.C.;  
EMERY E. JACOBS, Former Deputy  
Administrator, Agricultural Stabilization  
and Conservation Service, U. S. Department  
of Agriculture, Washington, D.C.;

[REDACTED]  
Agricultural Stabilization and Conservation  
Service, U. S. Department of Agriculture,  
Washington, D.C.

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CHARACTER: BRIBERY, CONFLICT OF INTEREST

SYNOPSIS: Testimony introduced 4/12/62, Dallas, Texas, at  
court of inquiry of Texas Attorney General, that USDA  
employees purchased expensive clothing at Neiman-Marcus  
(N-M), Dallas store, in September and October, 1961, while  
accompanied by ESTES, under circumstances indicating ESTES  
may have paid for same. Records Sheraton-Dallas Hotel  
reflect RALPH registered 9/7-10/61, MORRIS 9/7-9/61, and ESTES  
9/6-9/61. Records Statler-Hilton Hotel, reflect JACOBS  
registered 10/23-25/61, [REDACTED] and ESTES 10/24-  
25/61. Hotel bill of JACOBS charged to ESTES' credit card.  
N-M salesmen identified photograph of RALPH and MORRIS as  
persons who accompanied ESTES to store, September 8 or 9,  
1961, at which time RALPH was fitted for two size 41 suits,  
two pair size 9B shoes, total cost \$590.48, charged to ESTES'  
account; alteration ticket for suits shows notation "No name  
in pocket", suits air mailed after alteration to ESTES in  
Washington, D.C. On 10/24/61, RALPH was credited with the  
return of two shirts, total cost \$34.58, he claiming purchased  
10/9/61; N-M records reflect no sales of similar shirts on  
10/9/61, identifiable with RALPH. Sales ticket 10/24/61, shows  
RALPH purchased for cash, five shirts, total value \$35.45,

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DL 58-188

handled by same salesman whom RALPH contacted for return of more expensive shirts same date. N-M records reflect two separate sales tickets for other merchandise charged to ESTES' account 9/9/61, shirts, ties and handkerchiefs, total cost \$346.89. Photograph of JACOBS identified by salesman as person who, accompanied by ESTES, at N-M store was fitted 10/25/61 for two size 48 suits, size 48 sport coat, two pair slacks, two pair of shoes, size 10D, total cost \$1090.40. Salesman states merchandise paid for in cash by JACOBS after he saw ESTES enter fitting room with JACOBS. Part of merchandise mailed to JACOBS' secretary, Washington, D.C. as was additional merchandise, cost \$190.90, purchased at N-M, 10/25/61. Clerk who handled latter sale now living Little Rock, Arkansas. No evidence [ ] was at N-M store. Copies sales documents re above purchases obtained. USDA employees, Dallas, state ESTES has numerous grain storage facilities under their jurisdiction, has received no preferential treatment, and no effort has been made by ESTES or others in his behalf to obtain favors; that system for allocating grain for storage leaves no chance for preferred treatment without same being evident. MORRIS reported to have told USDA official, Dallas, 9/8/61, to "look after his friend BILLIE SOL ESTES in grain matters since he was a good Democrat", but did not press the matter further. Investigation indicated widespread rumors in grain trade that ESTES made gifts of clothing to USDA officials; dealers had no evidence of purpose of gifts or that ESTES has received advantages. USDA employee, Amarillo, Texas, states owner of grain elevator, Groom, Texas, told him about 3/22/62, that two unidentified men attempted to interest him in purchase of another elevator, claiming USDA employee, Dallas, would receive percentage and elevator would be filled with grain. Grain dealer declined to answer questions re this. Investigation continuing. ESTES MAY HAVE SUICIDAL TENDENCIES.

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BACKGROUND

On March 29, 1962 complaints were filed before the U.S. Commissioner at El Paso, Texas charging BILLIE SOL ESTES, Pecos, Texas, COLEMAN DELBERT MC SPADDEN, Lubbock, Texas, HAROLD EUGENE ORR and RUEL WADE ALEXANDER, both Amarillo, Texas with violations of Title 18, U.S. Code, Section 371. These persons were taken into custody on the same date in the cities of their respective residences. On April 5, 1962 a Federal Grand Jury at El Paso returned indictments in eight counts charging violations of Title 18, U.S. Code, Sections 371, 1341 and 2314 against these same persons who are now at liberty under bonds.

Investigation which lead up to the above action and is still continuing in a separate case, El Paso origin, was instituted on March 6, 1962. In substance investigation has reflected ESTES and MC SPADDEN with the assistance of ALEXANDER and ORR, officials of Superior Manufacturing Company, Amarillo, carried out a plan whereby they obtained many millions of dollars through financing non-existent anhydrous ammonia tanks. The plan involved inducing farmers and others in West Texas to sign notes and chattel mortgages purportedly for the purchase of ammonia tanks. The 20 per cent down payment called for in the contracts was furnished to the purchasers and purchasers were given 10 per cent of purchase price, less down payment, as a fee for use of their names and credit standings and the tanks so purchased were leased back to ESTES and MC SPADDEN, the terms of such leases calling for the same monthly payments required in the notes. Lease payments made to purchasers were in turn made as payments on notes. The notes, payable to Superior Manufacturing Company or Lubbock Machine and Supply Company were assigned by these companies to a number of different finance companies, several of which were located in states other than Texas.

The investigations by various agencies and arrests of the above named persons have resulted in extensive newspaper, radio and television publicity. Texas Attorney General WILL WILSON has and is still conducting a number of inquiries

into the activities of ESTES, ET AL to determine whether state antitrust or other laws have been violated. One such hearing was held in Dallas, Texas on April 12, 1962 and resulted in extensive newspaper publicity.

That portion of the testimony before the Attorney General's Court of Inquiry which is the subject of this investigation consisted of allegations that certain officials of the U.S. Department of Agriculture (USDA), Washington, D.C. received favors from BILLIE SOL ESTES. In substance newspaper articles are summarized as follows:

Testimony was offered by four salesman of Neiman-Marcus, Dallas, specialty store, supported by records, that on September 8, 1962 ESTES and two individuals identified as "MR. JACOBS" and ESTON E. DENNARD, officials of USDA appeared at the store and such USDA officials were outfitted with the following merchandise at the expense of ESTES:

MR. JACOBS described as a big red headed man, received two suits, size 48 regular, valued at \$245.00 each, and two pair of shoes, valued at \$36.95 each.

DENNARD received one suit size 41 regular, valued at \$245.00. Shirts, ties and handkerchiefs were furnished for both men. Total cost of merchandise reported as \$1,433.20 which sum was paid in cash by JACOBS after emerging with ESTES from a fitting room.

There was further testimony that on October 25, 1961 ESTES again appeared at Neiman-Marcus with "MR. JACOBS" only. On this occasion JACOBS received one suit priced at \$245.00 which was charged to the account ESTES maintained with the store and on the same occasion received two pair of alligator shoes valued at \$135.00 each, also charged to ESTES' account.

It was reported that the suits purchased September 8, 1961 were mailed by the store to ESTES at Hotel Washington, Washington, D.C. and the suit purchased October 25, 1961 was mailed to PEGGY ANN CAMPBELL, Apartment 401, 4500 Connecticut A.

*Back to mail*

Avenue, Washington, D.C., the latter being identified at the hearing as secretary to E. E. JACOBS, also known as "Red" Jacobs, Deputy Administrator, Agricultural Stabilization and Conservation Service (ASCS), USDA, Washington.

It was further reported that testimony was offered by the credit manager Sheraton-Dallas Hotel, Dallas that ESTES, Assistant Secretary of Agriculture, Dr. JAMES T. RALPH and the latter's aide, WILLIAM E. MORRIS were registered at the hotel on September 8, 1961. A representative of Statler-Hilton Hotel, Dallas, testified ESTES and E. E. JACOBS were guests at the hotel on October 25, 1961.

ESTON E. DENNARD, identified as an employee of ASCS, USDA, Dallas reportedly appeared as a witness, denied receipt of clothing from ESTES and it was reportedly inferred by Attorney General WILSON that DENNARD was not believed to be one of the officials in question. Publicity further indicated that [REDACTED]

ASCS, under supervision of EMERY E. JACOBS was in Dallas on one or more of the dates in question. Newspaper articles also reflected the name of GEORGE W. JACOBS, identified as a Dallas employee of USDA.

On April 16, 1962 SA [REDACTED] advised United States Attorney H. BAREFOOT SANDERS, Northern District of Texas, Dallas, of the reported information concerning ESTON E. DENNARD and GEORGE W. JACOBS, both USDA employees of Dallas, the latter being a brother of EMERY E. JACOBS. MR. SANDERS advised that inasmuch as there was no testimony produced to implicate ESTON E. DENNARD and GEORGE W. JACOBS it was his opinion any action warranted concerning these individuals should be handled administratively by USDA.

It has been reported that Attorney General WILL WILSON has scheduled an additional Court of Inquiry in Dallas for April 20, 1962 to which USDA officials from Washington have been invited to appear.

On April 12, 1962 [REDACTED]

[REDACTED] USDA, Washington, contacted [REDACTED]

DL 58-188

the Dallas FBI Office advising he was in the city on instructions of E. M. LOWEREE, Chief, Investigations Division, to attempt to establish the facts based on the reported hearing in Dallas on the same date. [redacted] was interviewed on April 16, 1962 at length results of which are set forth below:

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Date 4/19/62b6  
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[redacted]  
[redacted] United States Department of Agriculture (USDA), Washington, D.C. was interviewed in room 317 Travis Hotel. [redacted] stated he had proceeded from Washington to Dallas on the instructions of his superior after information was received by USDA the press of the possible involvement of USDA personnel in receiving gifts from BILLIE SOL ESTES. [redacted] identified certain USDA personnel whose names had been brought out in newspaper publicity as follows:

Dr. JAMES T. RALPH was formerly Assistant Secretary of Agriculture, with supervision over Agricultural Stabilization and Conservation Service (ASCS), more recently has been assigned to the Department of State preparatory to becoming Agricultural Attache in the Philippines. He was stated to have been formerly Commissioner of Agriculture in the State of California. Dr. RALPH was identified as a political appointee who entered Federal service with the current administration.

WILLIAM E. MORRIS is an aide to Dr. RALPH, is also a political appointee and was believed to have been formerly an administrative assistant to a congressman from Minnesota.

EMERY E. JACOBS, also known as "Red" has occupied the position of Deputy Administrator, ASCS. It was [redacted] information MR. JACOBS has resigned this post.

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[redacted] occupied the position with ASCS, Washington, exact title not known to [redacted]

GEORGE W. JACOBS was identified as a Marketing Specialist, ASCS, Dallas, and possibly related to EMERY E. JACOBS.

ESTON E. DENNARD is a Marketing Specialist, ASCS, Dallas. It was [redacted] information MR. DENNARD had testified before a hearing held by Texas Attorney General WILL WILSON and MR. WILSON had given MR. DENNARD "a clean bill."

Interview with \_\_\_\_\_ File # DL 58-188  
EP 29-351

on 4/16/62 at Dallas, Texas Date dictated 4/19/62

by Special Agent MANNING C. CLEMENTS/sah

DL 58-188

PEGGY ANN CAMPBELL was identified as secretary in Washington, D.C. to EMERY E. JACOBS.

[redacted] WILLIAM E. MORRIS, USDA official, is believed [redacted] Congressman ANDERSON of Minnesota, and is reported to [redacted] BILLIE SOL ESTES at Pecos, Texas.

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[redacted] stated he had conferred at length with MR. C. H. MOSELEY, Director, Dallas Commodity Office, ASCS, MR. WILLIAM ELLIOTT, Investigations, ASCS, Dallas and other USDA personnel in Dallas, that he had "met a stone wall" at Neiman-Marcus store in Dallas where he was advised their records would be available only under subpoena and had been advised by Dallas hotels which he had called that their records were in possession of Attorney General WILL WILSON.

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[redacted] stated he had received information from a source not indicated that the hearings held on April 12, 1962 at Dallas by Texas Attorney General WILL WILSON, information was brought out concerning alleged gifts to Department of Agriculture personnel by ESTES and in addition to the following:

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[redacted] CIT Corporation [redacted] ESTES [redacted] at Pecos, Texas; R. W. ALEXANDER and H. E. ORR both of Superior Manufacturing Company, Amarillo, Texas; [redacted] Lester-Stone Company, Hereford, Texas; COLEMAN MC SPADEN, Lubbock, Texas, former official of Superior Manufacturing Company; [redacted] who had been confined during 1961 at Baylor Hospital Dallas, not otherwise identified. [redacted] TEX.

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[redacted] stated that BILLIE SOL ESTES has been identified as a principal warehouseman in Texas for storage of grain in which ASCS has an interest. He said he understands there is considerable competition for storage of grain, that ASCS has some supervision over who shall qualify as a warehouseman and that there are a variety of circumstances which are considered before contracts are awarded.

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He stated this investigation would tend to indicate USDA officials from Washington would have little chance to give preferential treatment to ESTES and that ESTON E. DENNARD and GEORGE W. JACOBS, both ASCS, Dallas were definitely not in a position to give preferential treatment. He said he knows of no financial interest of any USDA personnel in any of ESTES' enterprises and conversely of ESTES' financial interest in any private business of USDA personnel. He said a "Conflict of Interest Form" (AD 276) is signed by USDA officials and that such forms could be examined in Washington.

stated he felt certain USDA personnel in Dallas would cooperate fully in FBI investigation, that he was departing for Washington on the following day.

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FEDERAL BUREAU OF INVESTIGATION  
INTERVIEW REPORTDate 4/20/62

*C. H. MOSELEY* *CLARENCE H. MOSELEY*  
 Mr. CLARENCE HILARY MOSELEY, Director of the Commodity Office, Agricultural Stabilization and Conservation Service (ASCS), U. S. Department of Agriculture, Dallas, Texas, was advised that he did not have to make any statement and that any statement he might make could be used against him in a court of law. He was advised regarding his right to counsel. MOSELEY, who resides at 5522 Walnut Hill Lane, Dallas, stated that he, as head of the Dallas Commodity Office of the ASCS, is responsible to [redacted] Commodity Office in Washington, D. C. [redacted] in turn, is responsible to Mr. HORACE GODFREY, Administrator for ASCS, and GODFREY is under the direct supervision of [redacted] this position formerly being filled by Dr. JAMES T. RALPH who has since requested reassignment to the Philippines and is now taking training in the Department of State. The Assistant Secretary [redacted] Secretary of Agriculture ORVILLE FREEMAN. Mr. EMERY E. JACOBS was formerly Deputy Administrator for State and County Operations with headquarters in Washington, D. C. JACOBS resided in Washington but spent much of his time traveling and only occupied an apartment in Washington. JACOBS' wife resides in Oklahoma City, Oklahoma. JACOBS recently resigned his position with the Department of Agriculture with the declaration that he was coming to Texas to clear his name, MOSELEY related.

Mr. WILLIAM E. MORRIS was assistant to Assistant Secretary of Agriculture JAMES T. RALPH in some capacity, his exact duties being unknown to MOSELEY. MOSELEY stated that MORRIS did not have any connection with his office in Dallas and that he had not conducted any business whatever with MORRIS.

Mr. MOSELEY advised that the area over which he is director comprises twelve states located in the Southwest and southeast parts of the United States extending from New Mexico through North Carolina. He enumerated these states as follows: New Mexico, Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama, Georgia, Florida, North Carolina and South Carolina.

Interview with Mr. CLARENCE HILARY MOSELEY File # DL 58-188  
EP 29-351  
 on 4/17, 19/62 at Dallas, Texas Date dictated 4/19/62  
 by Special Agents W. HARLAN BROWN, CARL E. UNDERHILL and  
MANNING C. CLEMENTS /jeg

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The Dallas Commodity Office has jurisdiction over the storage of all grains in the geographical area as well as the nationwide responsibility for peanuts. The Dallas Commodity Office does not have any responsibility in the categories of cotton and cotton seed, those being within the province of the New Orleans Commodity Office which is headed by A. P. McLAUGHLIN, the Director.

MOSELEY stated that all files and contracts and other correspondence relating to the grain operations of BILLIE SOL ESTES are located in the Dallas Commodity Office.

MOSELEY stated that the known grain houses of BILLIE SOL ESTES, doing business as United Elevators, as of March 31, 1962, had the capacity and date of contract as follows:

<u>Capacity in Bushels</u>	<u>Location</u>	<u>Date of Contract</u>
40,840,000	Plainview, Texas	-
5,521,000	Kress, Texas	-
666,268	*Lamesa, Texas	May 25, 1960
3,673,000	Silverton, Texas	May 25, 1960
915,000	*South Plains, Texas	May 25, 1960
51,615,268 total bushels.	*State licensed	

Mr. MOSELEY stated that although ESTES was not on record as being the owner of the following grain houses, it has come to the attention of the Commodity Office that ESTES claimed at least a one-half interest in the following companies, according to financial statements submitted by those companies. They are as follows:

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<u>Capacity in Bushels</u>	<u>Location</u>	<u>Date of Contract</u>
2,464,000	Levelland, Texas	-
4,488,620	*Hale County Grain Company [redacted] [redacted] Texas	September 1, 1961
18,790,000	X Palo Duro Grain Company (C. E. DAVIS, Pecos) Texas, owner) Tulia, Texas	CLAUDE DAVIS July 14, 1960
9,730,000	X Allied Elevators Hereford, Texas [redacted] [redacted] Texas,	X ALLIED ELEVATOR COMPANY June 27, 1961

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\*State Licensed.

Mr. MOSELEY stated that the grain storage warehouses operate under a uniform grain storage agreement, which is an agreement between the warehousemen and the United States Government, which in effect promises nothing to the warehousemen. There is no time limit in the agreement that grain may be stored and the government is permitted to remove the grain from the warehouse at any time. He explained the procedure with regard to a farmer depositing his grain in a grain warehouse as follows:

The farmer has the choice of placing his grain in any grain warehouse at which time the warehouseman gives the producer or farmer a warehouse receipt for his grain. Banks will loan money on this warehouse receipt and the farmer who participates in the program can collect the full amount allowed by the Commodity Office at the maturity date of March 31 each year.

In order to meet the requirements of the Department of Agriculture for the operation of a grain storage warehouse, the following requirements are necessary:

- (1) Satisfactory physical plant
- (2) Fiscal responsibility
- (3) Experienced management
- (4) Adequate bond
- (5) Licensed by the state or Federal Government.

When the warehouse is placed on the approved list, the government spells out all charges payable by the government in connection with the storage of grain. The government does not pay any storage on the farmer's grain until it actually becomes the property of the Commodity Office at maturity on March 31 of each year. Prior to March 31 of each year, between harvest time and that date, the government is not responsible for the payment of charges for the storage of grain. After maturity there is a fixed schedule of rates which roughly provides one cent per day for 1,000 bushels of grain. It was pointed out by Mr. MOSELEY that the maturity date of wheat is March 31, as well as for milo which is the common term used by grain men to describe milo maize. Thus the farmer can take his crop to the warehouse and on March 31 of each year obtain the full government loan on his crop.

As a competitive inducement, many of the warehouse men permit the producer to have free storage on his grain up to the maturity date, gambling on the possibility that the producer will leave the grain in the warehouse after March 31 and thereby obtain government rental for the grain. It was MOSELEY's understanding that ESTES, in addition to giving free storage to farmers up to the maturity date of March 31, also extended to them fertilizer at cut rates as an inducement to farmers to store grain in his warehouses. Sometimes these rates were as low as one cent or <sup>two</sup> cents per pound for fertilizer when the wholesale price for fertilizer was six cents or seven cents per pound, thereby causing ESTES undoubtedly to lose money on fertilizer sales to the producer. It was MOSELEY's belief that U. S. Government payments were pledged to the Commercial Solvents Corporation as security by ESTES. In connection with these practices, Mr. MOSELEY stated that it had never been the intention of the Department of Agriculture to interfere with competition between the warehouse companies.

*(Commercial Solvents Corporation)*

After the Commodity Office of ASCS obtains title to the grain, the grain is moved about the country for several reasons. Customarily grain is moved toward the Gulf of Mexico for economic reasons and therefore grain is moved from such grain states as Kansas and Nebraska south through Oklahoma and Texas to ports on the Gulf of Mexico. The reasons for the removal of the wheat and other grains from the heavy grain producing regions of Kansas, Nebraska, Oklahoma and Texas southward is as follows:

- (1) To provide room in warehouses for the new harvest.
- (2) To comply with the export program of the United States.
- (3) Because of deterioration or threatened deterioration of the grain stored.
- (4) Acts, such as fire, flood, etc.

Mr. MOSELEY pointed out that in recent years there has been a surplus of grain in the United States and the critical grain producing areas are in the midwestern part of the United States. Therefore grain is moved from heavy producing states in enormous volume to make space for new harvests in the heavy producing areas to the North. He estimated that since ESTES began his operations in 1959, 283,000,000 bushels of grain had been moved into this area from the northern grain producing states. Thus the relocation of grain storage is the primary cause of the removal of grain from one warehouse to another because of new harvests.

He characterized BILLIE SOL ESTES as being the largest grain warehouse man in Texas but stated that the Dallas Commodity Office did not deal directly with ESTES. He stated that ESTES had been in the Dallas Office only once, about one or one and a half years ago, presumably on a visit and that he had met him on one occasion, that being on September 8, 1961. On this occasion MOSELEY stated that he was attending a peanut meeting sponsored by the ASCS at which time ESTES came into the room and introduced himself which introduction was acknowledged by MOSELEY. Therefore, he stated, he is not really acquainted with ESTES. The business dealings with the ESTES grain enterprises were through ESTES' grain manager, WAYNE COOPER of Plainview, who managed all of the grain warehouses of ESTES. He described

COOPER as being a person of good repute among grain dealers in this area and a person who had managed the Plainview facility for another grain company before ESTES bought that grain company. COOPER was described as being a competent and ethical grain man.

MOSELEY stated that it was highly improbable that any employee of the Commodity Office of ASCS, or for that matter the Department of Agriculture, could "throw business" to anyone. He said this would be impractical as too many people would know about it. In the Dallas Commodity Office, MOSELEY stated, a committee had been formed known as the Space Committee, who review all the allocations of grain to various warehouses in this area. This committee is composed of a grain marketing specialist, F. W. BLEASE, a traffic man, [redacted] b6 b7C and the head of the Allocation and Shipping Section, which controls the movement of wheat headed by P. M. MILLER. He declared that in his opinion, there could be no influence peddling because there were too many hands to pass through with regard to securing grain storage.

MOSELEY stated that ESTON E. DENNARD, Marketing Specialist for peanuts, and GEORGE W. JACOBS, Marketing Specialist in rice, ASCS, who had been involved in a recent hearing in Dallas concerning ESTES, were highly trusted employees of the ASCS, and had no business dealings with ESTES that he knew of. GEORGE JACOBS is the brother of E. E. (RED) JACOBS, Washington, D. C.

He stated Dr. RALPH, WILLIAM E. MORRIS and E. E. JACOBS were all probably acquainted with ESTES inasmuch as they were interested in politics.

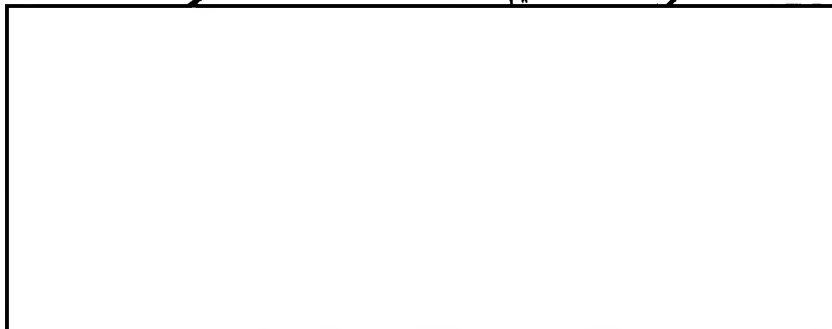
On September 8, 1961, Dr. RALPH was in Dallas for the purpose of attending a meeting and spoke to a group on peanut marketing at the Statler Hilton Hotel in Dallas on that date. He said that Dr. RALPH was late in getting to this meeting and he had heard conversations to the effect that RALPH was having breakfast with BILLIE SOL ESTES. He also heard references made to their having been at a big party the night before at the Sheraton-Dallas Hotel. At any rate, Dr. RALPH came in late and conducted the meeting and ESTES also came late to this meeting. MORRIS entered with Dr. RALPH when he came to the room where the meeting was being held. Those in attendance at this meeting, in addition to Mr. MOSELEY, were Mr. E. E. DENNARD, and Deputy

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Director TRUMAN CUNNINGHAM, both of the Commodity Office, ASCS, Dallas, Texas. It was his recollection that E. E. JACOBS did not attend this meeting at the Statler-Hilton Hotel, although he had read that JACOBS was in Dallas, according to local newspapers. Instead, he said, E. E. JACOBS was in Dallas on October 24 and 25, 1961.

MOSELEY stated that [redacted] b6  
D. C., [redacted] ASCS, who works with E. E. b7C  
JACOBS, was not in attendance at the peanut meeting of  
September 8, 1961.

On October 23-25, 1961, a quarterly ASCS Director's meeting was held at the Statler-Hilton Hotel. The following reservations were made at the Statler-Hilton Hotel, which reflects the names of the following persons from Washington, D. C., connected with the Department of Agriculture:



On October 23, 24, 1961, an ASCS state office meeting was held in Dallas, with the following reservations being made at the Statler-Hilton Hotel for those dates under the names set forth below; all from Washington, D. C.:

EMERY E. JACOBS [redacted] b6  
[redacted] b7C

On September 8, 1961, Mr. MOSELEY was contacted by WILLIAM E. MORRIS, this information being reduced to writing, and reflected hereinafter:

Regarding MORRIS, Mr. MOSELEY said that he had formerly worked for a Congressman before being connected with the Department of Agriculture. He was explicit in his belief that no persons connected with the ASCS, or the Department of Agriculture, were known to have any interest in ESTES enterprises. Regarding the party held at the Sheraton-Dallas Hotel in Dallas, MOSELEY believed that Dr. RALPH and WILLIAM MORRIS were present at this party thrown by ESTES. He was of the opinion that E. E. JACOBS was not in Dallas at that time. He commented concerning E. E. JACOBS having been reported by newspapers as having a suit sent to his secretary in Washington, D. C., his explanation being that JACOBS' wife resided in Oklahoma City and that JACOBS only maintained an apartment in Washington. In the course of his business, he traveled extensively throughout the United States, spending only a few days each month in Washington and thought that it was not unusual for JACOBS to send clothing, or other material to his secretary for safe keeping until his return to Washington. Regarding JACOBS carrying large amounts of cash, he stated that JACOBS had made it a practice over the years to carry large amounts of money mainly because he was an avid poker player.

MOSELEY reported a rumor heard on April 10, 1962, that ESTES had taken five government officials into Neiman Marcus and had outfitted them. This information was reduced to statement form on April 19, 1962.

By way of showing that no favoritism had been shown ESTES' warehouses, with regard to the grain storage competitors, Mr. MOSELEY stated that as of March 31, 1962, and prior to the take over of <sup>grain</sup> in six known ESTES houses, these houses were 43.4 per cent filled with government-owned wheat and milo, while the average of interior Texas warehouses was 48.6 per cent the latter figure excluding grain elevators located on the coast. As an example, he said, the ESTES house in Plainview was 39.4 per cent filled with government grain and other Plainview houses were 51 per cent filled. By contrast, other houses in Amarillo had 57.3 per cent government grain and in Lubbock, Texas, it amounted to 61.9 per cent.

The take-over was at midnight on March 31, 1962, and after the take-over by the government of grain, the occupancy of the ESTES houses rose to 58.3 per cent, while the Texas average became 62.9 per cent.

Regarding the inspection of the grain storage warehouses, MOSELEY stated that the Agricultural Marketing Service, another branch of the government, is the licensing agency which licenses warehouses and thus has an opportunity to look at their financial statements, determining the amount of bond and inspects the warehouses, in addition to measuring the grain. These conditions are only applicable, however, in Federally approved warehouses and not to state warehouses. In the case of state warehouses, the Commodity Office of the ASCS has the same responsibility as the Agricultural Marketing Service has with regard to Federal licensed warehouses.

Mr. O. P. HERRIN, U. S. Warehouse Act Branch, 713 Beacon Building, Wichita, Kansas, has jurisdiction over the inspection and measuring of grain in the ESTES warehouses.

Mr. MOSELEY cited one instance where ASCS, Dallas, felt the bond in an ESTES warehouse (licensed under U. S. Warehouse Act) was too low and made this known to the USDA Washington. As a result, the bond was raised from \$200,000 to \$700,000.

MOSELEY did not know of any warehousing companies which had gone bankrupt or broke as a result of ESTES' competition but stated that ESTES was considered unethical by grain men.

One of those expressing concern over ESTES' dealings was [redacted]

[redacted] b6  
Morrisson Milling Company, Denton, Texas. MOSELEY made [redacted] b7c  
available copies of correspondence between him and [redacted]  
concerning Estes Enterprises having allegedly  
violated the warehouse laws. His complaint, among others, was  
the free storage of grain Estes Enterprises were giving the  
producers in warehouses prior to the maturity date of March 31  
of each year. It was pointed out in correspondence that the  
government had no control over such practices.



The following statement was obtained under oath from  
Mr. MOSELEY:

"Dallas, Texas  
4/19/62

"I, Clarence Hilary Moseley, being duly sworn, hereby make the following free and voluntary statement to W. Harlan Brown and Carl E. Underhill, who have identified themselves to me as Special Agents of the Federal Bureau of Investigation. No threats, promises or offers of reward have been made to me to obtain this statement. I have been told that I do not have to make a statement and that this statement may be used against me in a court of law. I have been told that I have a right to consult a lawyer before making this statement.

"I am employed as Director of the Commodity Office, Agricultural Stabilization and Conservation Service, U. S. Department of Agriculture, Dallas, Texas. I have been in charge of the Dallas Office since 1952.

"On September 8, 1961, at the adjournment of a peanut meeting in the Statler Hilton Hotel in Dallas, Texas, I talked with William E. Morris very briefly. Morris made a statement to me regarding the Billie Sol Estes grain operations. I do not recall Morris' exact words but the sense of them was a request that I 'look after' his friend Billie Sol Estes in grain matters since he was a good Democrat. I do not recall my words either but the sense of my reply was that we 'look after' everybody equally without regard to politics or friends. Mr. Morris did not press the point and he asked for nothing specific.

"On Tuesday, October 24, 1961, I went to Love Field in Dallas to meet an American Airlines plane from Baltimore, Md., which was supposed to be transporting Dr. James Ralph, who was, at that time, the Assistant Secretary of Agriculture, Washington, D. C. Dr. Ralph arrived on this plane about 10:00 A.M., on this date. Dr. Ralph was carrying an attache case and it was my understanding that he was going to leave Dallas that night and not remain overnight. At that time, Dr. Ralph suggested that we drive by Neiman-Marcus Store because he wanted to exchange some shirts. We pulled up at the south door of Neiman-Marcus store and let Dr. Ralph out of the car. Dr. Ralph said he would be gone only a few minutes but stayed about one hour before returning to the car parked at the south entrance of this store. Later that day, Dr. Ralph made a speech to employees of our office in Dallas and I do not believe he remained overnight.

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"On 4/10/62, shortly before 2 PM, I heard a rumor to the effect that Billie Sol Estes had taken five government officials who were not local men into Neiman-Marcus store and had outfitted them from head to foot and that [redacted] of the Neiman-Marcus store had waited on them. I also heard that [redacted]

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At 2 PM, on 4/10/62 I called Mr. Roland Ballou in Washington and requested that the Secretary of Agriculture be asked to send an investigator to arrive immediately. On the night of 4/10/62, [redacted] Department of Agriculture arrived in Dallas to conduct an investigation into these allegations. The five persons who were allegedly outfitted were not identified and it was rumored that it was common talk in the grain trade that these government officials had been outfitted at Neiman-Marcus. The person giving us the information concerning this rumor was [redacted] Texas, [redacted] [redacted] Texas Grain and Feed Association.

"I have read this and three other pages of this statement and the facts therein are true."

"/s/ CLARENCE HILARY MOSELEY

"Sworn to and subscribed before me this the 19th day of April, 1962, at Dallas, Texas."

"/s/ W. HARLAN BROWN, Special Agent  
FBI, Dallas, Texas.

"Witness:

"CARL E. UNDERHILL, Special Agent, FBI, Dallas, Texas, 4/19/62."

FEDERAL BUREAU OF INVESTIGATION  
INTERVIEW REPORTDate 4/18/62

WILLIAM G. ELLIOTT, Special Agent in Charge, Investigations Division, Agricultural Stabilization and Conservation Service (ASCS), U. S. Department of Agriculture, 708 Jackson Street, Dallas, Texas, was interviewed at his office in the presence of EARL M. HEAVRIN, Assistant Special Agent in Charge of that agency. He advised that his agency is the investigative arm of the ASCS and handles certain investigations as requested by other agencies in that department. He advised that an investigation was conducted by his office in 1961 at the request of the office of [redacted] D. C., [redacted]

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[redacted] ASCS. This investigation concerned BILLIE SOL ESTES, Pecos, Texas, and his purchase of pooled cotton allotments. This investigation began on July 13, 1961, and was completed on September 22, 1961, and concerned cotton acreage allotments for the 1961 crop year, principally. Mr. ELLIOTT advised this investigation concerned the transfer of cotton acreage allotments from lands condemned through the law of eminent domain and transferred to new cotton lands, which in this case were in the Pecos area.

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A report was submitted by Investigator [redacted] Dallas, dated October 27, 1961, by Mr. ELLIOTT's office reflecting results of that investigation. No subsequent investigation has been conducted concerning that matter and since that time the matter has been in administrative handling in the Department of Agriculture, Washington, D. C., having been referred in December, 1961, to the Office of CHARLES F. MURPHY, Under Secretary of the Department of Agriculture. Higher officials in the Department of Agriculture have been determining whether bona fide transactions involving ESTES had occurred or if he had engaged in a scheme or a device to evade provisions of the Cotton Allotment Program as set forth in Section 378(a), AAA, 1938 amended. Mr. ELLIOTT advised a formal opinion was rendered by the Office of General Counsel, Department of Agriculture, Washington, on December 15, 1961, concerning the results of that investigation, all of which he believes has been made known to the Department of Justice. Mr. ELLIOTT advised that he is not authorized to make available copies of the above described investigative report of [redacted] Dallas, dated October 27, 1961, file number D3-595, in the absence of authorization from the Secretary of Agriculture. He advised it is possible copies of same could be obtained at Washington,

Interview with WILLIAM G. ELLIOTT File # DL 58-188  
EP 29-351  
on 4/17/62 at Dallas, Texas Date dictated 4/18/62

by Special Agent SAS EDWIN D. KUYKENDALL and [redacted] /jeg

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Mr. ELLIOTT advised [redacted] EMORY E. JACOBS, of the State and County Operations Office, ASCS, Washington, was in Dallas, Texas, on about October 25, 1961, and asked to talk to him (ELLIOTT). ELLIOTT got in contact with him and was told to get that investigation completed and submit the report expeditiously. He said he engaged in no conversations with [redacted] except in that regard; that [redacted] was only pushing him to complete the investigation. As a result, ELLIOTT's office used its entire force and got the report out on October 27, 1961. ELLIOTT advised that on several occasions he has been approached by [redacted] BILLIE SOL ESTES, of Pecos, Texas, which contacts generally dealt only with such inquiries and efforts to obtain copies of a ruling of the Office of General Counsel or other efforts to obtain information which could not be disclosed to [redacted]. He advised he [redacted] each time that such information could not be provided.

Mr. ELLIOTT advised he has no information of his own personal knowledge that would have any bearing upon any efforts of BILLIE SOL ESTES or other persons to influence high officials in the Department of Agriculture in their decisions concerning official matters in which ESTES has interest. He advised he has no suggestions as to who would have pertinent information in that regard. He said the investigation by his agency, mentioned above, produced no evidence of any efforts on the part of anyone to influence high government officials in their decisions. He said any available information concerning the matter of possible influencing of government officials might best be available at places other than his local office as he considers himself and persons in his office as relatively minor officials who make no administrative decisions. Mr. ELLIOTT's opinion was that the investigation by his office was not the basis for bringing about any desire on the part of ESTES or other persons to influence government officials in their decisions.

Mr. ELLIOTT advised that his superior is WILLIAM H. DUGGAN, Director of the Investigations Division, ASCS, Washington, D. C. Above him is the office of ROBERT P. BEACH, Deputy Administrator for Management, ASCS. The next level in ASCS is the office of HORACE D. GODFREY, Administrator, ASCS, Washington, D.C., who is the head man in ASCS. Directly under HORACE D. GODFREY are several deputy administrators identified as follows (in addition to ROBERT P. BEACH, mentioned above):

EMERY E. JACOBS, Deputy Administrator, State and County Operations (under whom TOM MILLER, Acting Southwest Area Director, ASCS, works);

ROBERT G. ~~LEWIS~~, Deputy Administrator for Price and Production;

FRANK W. HUSSEY, Deputy Administrator for Commodity Operations; and

CARL A. ~~LARSON~~, <sup>CARL LARSON</sup> Deputy Administrator for Conservation.

Mr. ELLIOTT advised that Dr. JAMES T. RALPH, until very recently, within the past month, was Assistant Secretary for ASCS, but now has resigned his position to take an agricultural attache position in the Philippines. The next higher level in that agency is the office of ORVILLE B. FREEMAN, Secretary of the Department of Agriculture.

Mr. ELLIOTT advised there is a State Office of ASCS in Texas located at College Station, Texas, which handles state-wide ASCS programs in Texas, and which office is in a position to render some decisions. He said HENRY MARSHALL was the person in charge of that office at College Station but committed suicide on June 3, 1961, at College Station. ELLIOTT advised that MARSHALL's office was answerable to the [redacted]

[redacted] ASCS [redacted] Utah). ELLIOTT advised the investigation conducted by his office in the Fall of 1961 did not contain results of any interview with HENRY MARSHALL because he was already deceased. He said, however, that MARSHALL, being a program specialist, was one of the leading figures in the state office and could have ironed out any minor discrepancies had he been available for interview.

Mr. ELLIOTT advised ESTON E. DENNARD is presently employed by the Dallas Commodity Office under C. H. MOSELEY and is a former employee of his (ELLIOTT's) office several years ago, about 1950 to 1952. He does not personally know GEORGE W. JACOBS, but knows that he also works under C. H. MOSELEY. He said both of these men are concerned, in their work, only with peanuts and rice; that they are not concerned in any way with cotton; and that ELLIOTT has no knowledge BILLIE SCL ESTES is involved in activities with peanuts or rice. ELLIOTT

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advised that his office has conducted no investigations concerning BILLIE SOL ESTES that dealt with storage of grain. He advised, however, that should such any investigation have been necessary his agency is the one that would have made the investigation upon proper request from the Dallas Commodities Office, C. H. MOSELEY (if it dealt with grain matters).

Mr. ELLIOTT advised he and his assistant, EARL M. HEAVRIN have no information bearing upon the subject of possible influence exerted by ESTES or anyone upon high officials in the Department of Agriculture, except from what they have read in newspaper articles. He advised that after these stories broke in the newspaper [REDACTED]

[REDACTED] Department of Agriculture, Washington, D. C., appeared in Dallas. ELLIOTT advised that his office was not furnished with results of investigation conducted by [REDACTED] ELLIOTT advised that [REDACTED] investigative position is with a different bureau from that of ELLIOTT's position.

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FEDERAL BUREAU OF INVESTIGATION  
INTERVIEW REPORTDate 4/19/62

Mr. ESTON EMMETT DENNARD, Supervising Agricultural Market Specialist, Dallas Commodity Office, Agricultural Stabilization and Conservation Service, U. S. Department of Agriculture, who resides in Dallas, Texas, at 3812 Villanova Drive, was interviewed on April 18 and 19, 1962, and the following signed statement was obtained from him:

"Dallas, Texas  
April 19, 1962

"I, Eston Emmett Dennard, being duly sworn, hereby make the following free and voluntary statement to Edwin D. Kuykendall [redacted] whom I know as Special Agents of the Federal Bureau of Investigation, Dallas, Texas, knowing that I do not have to make any statement and that any statement that I might give can be used in a court of law against me and that I have the right of counsel.

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"I was born March 14, 1905, at Sadler, Texas. I am employed as a supervising agricultural marketing specialist in the Dallas Commodity Office of the Agricultural Stabilization and Conservation Service, U. S. Department of Agriculture at Dallas, Texas. I have been so employed since 1950. My principal duties have to do with the marketing of peanuts and tung oil and the contracting with buyers and shellers and reviewing and accepting or rejecting offers for shelling and offers to purchase peanuts and tung oil on a competitive bid basis. The territory in which I perform my duties comprises the states of Texas, Virginia, North Carolina, South Carolina, Florida, Georgia, Alabama, Mississippi, Louisiana, Arkansas, Tennessee, Oklahoma, New Mexico, Arizona and California. Prior to my assuming the position which I now hold, I was an investigator with the Compliance Office and Investigation Branch of the Agricultural Stabilization and Conservation Service at Dallas, Texas.

"I have never had any official or non-official contact with Billie Sol Estes, whom I know by reputation only. On September 8, 1961, while I was in attendance at a meeting of various peanut growers, shellers and officials of the U. S. Department of Agriculture at Dallas, Texas, at the Statler-Hilton Hotel, Dallas, I recall that a man entered the meeting hall and upon my asking one of the persons in attendance at the meeting

Interview with Mr. ESTON EMMETT DENNARD File # DL 58-188  
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on 4/18, 19/62 at Dallas, Texas Date dictated 4/19/62  
by Special Agents [redacted] EDWIN D. KUYKENDALL /jeg

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"for the identity of this person I was told it was Billie Sol Estes. To my knowledge that is the only time I have ever seen Estes. I have never to my knowledge made any official decision in connection with my regular duties which in any way affected any interests financially, or otherwise, of Billie Sol Estes. I have never received a gift, gratuity or reward or any offer of such from Estes or from any person connected with Estes.

"I furthermore do not have any information reflecting that any official of the Department of Agriculture, or any other employee of the Federal Government, has received any gift, gratuity or reward from Estes or any person connected with him.

"On April 12, 1962, I voluntarily testified at the court of inquiry held at Dallas, Texas, which was looking into the financial operations of Billie Sol Estes. I was questioned by Mr. Will Wilson, Attorney General for the State of Texas, as to whether or not I had received any gifts from Billie Sol Estes, specifically clothing and specifically clothing purchased at Neiman Marcus Department Store at Dallas. I testified at this Court of Inquiry that I had not received any such gift or gratuity as I now state. I would like to point out that for approximately the last 17 years I have purchased most of my clothing at Neiman Marcus inasmuch as my wife has been an employee of that store for these 17 years. She took leave of absence from her position there in October, 1961, and has not returned to work because of the continued illness of her mother.

"In connection with the court of inquiry which I mentioned above, I would like to point out that approximately 17 years ago, while I was working as an investigator for the Compliance and Investigations Branch of the U. S. Department of Agriculture, Dallas, Texas, I investigated a case along with other investigators of the department, at Frisco, Texas,

[redacted] Commodity Credit Corporation  
[redacted] Griffin Grain Company at Frisco.

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[redacted]  
in U. S. District Court at Sherman, Texas, [redacted]  
[redacted]  
[redacted]

[redacted] In this investigation.  
by me and my fellow officers [redacted]  
[redacted]

[redacted] Whitmore Hotel, [redacted]  
[redacted]

[redacted] Griffin Grain Company and [redacted]  
[redacted] A year or more later the



"Dallas County District Attorney, who was then Mr. Will Wilson, who is the same Mr. Wilson who is now the Attorney General of Texas and conducted the court of inquiry which I mentioned above, [redacted] Informat. tion was leaked to Mr. Wilson by [redacted] former associate of mine in the investigations office of the Compliance Branch. [redacted]

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[redacted] Will Wilson sent to my office an assistant district attorney, Judge Blackburn, who [redacted]

This I refused to do. Wilson later sent Judge Blackburn back to tell me that he would subpoena me to appear in court at a trial against [redacted] Faced with this threat of subpoena, I told Wilson I would appear at the trial [redacted]

[redacted] Wilson's office threatened with a subpoena and I then came to the trial on my own accord.

[redacted] I asked the Judge (Henry King) if I could make a statement as to how I, an employee of the Department of Agriculture, and the Federal Government, became involved in the case. The prosecution objected to my making such a statement and the judge sustained him. [redacted]

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"I am puzzled as to whether this incident with regard [redacted] created any ill will toward me on the part of Wilson. I am greatly puzzled as to why Wilson called me as a witness in the Billie Sol Estes Court of Inquiry, Dallas, Texas, on April 12, 1962. I was never interviewed by anyone from Mr. Wilson's office, nor by any investigators of the Department of Agriculture prior to my being called as a witness in the Court of Inquiry. I am completely innocent of any wrong doing in connection with my position as an official of the [redacted]

"Department of Agriculture. I believe that a reading of the transcript of the Court of Inquiry held at Dallas on April 12, 1962, may show that the witness who was a salesman in the men's clothing department of Neiman Marcus did not mention the name Dennard but that this name was first mentioned by Mr. Wilson in the questioning of that witness.

"I have read this statement of five pages and it is true and correct. I have signed each page and initialed each correction.

"/s/ ESTON EMMET DENNARD

"Sworn to and subscribed before me on April 19, 1962, at Dallas, Texas,

"/s/   
Special Agent, FBI, Dallas,  
Tex."

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"Witness:  
EDWIN D. KUYKENDALL  
Special Agent, FBI,  
Dallas, Texas,"

Mr. DENNARD stated that he knows E. E. JACOBS as a high official in the Department of Agriculture, Washington, D.C., but he does not know him intimately. He stated he is not familiar with any information which might indicate that JACOBS has accepted any gift, gratuity or reward in connection with his official position or that he has had any sort of relationship, official or otherwise, with BILLIE SOL ESTES. He stated that he does not have any information indicating that any other employee of the Department of Agriculture has accepted any gifts or gratuities from BILLIE SOL ESTES, or made any decisions affecting the ESTES interests favorably, as a result of receiving gifts, gratuities or rewards or offers of same.

Mr. DENNARD stated he feels that an injustice has been done to him inasmuch as he was not questioned by either Mr. WILSON or by Department of Agriculture investigators prior to his being called as a witness in the Court of Inquiry on April 12, 1962. He stated that he believes that his reputation has been tarnished as a result of his having appeared as a witness in the Court of Inquiry.

The following description of Mr. DENNARD was obtained by the interviewing agents through personal observation and questioning:

Race:	White
Sex:	Male
Age:	57
Born:	March 4, 1905, Sadler, Texas.
Hair:	Greying, balding
Eyes:	Blue, wears horn rimmed glasses.
Height:	5'9"
Weight:	170 lbs.
Clothing:	Wears 41 and 42, regular size suits; wears belt instead of suspenders.

Social Security

No:	443-45-1751
Residence:	3812 Villanova Drive, Dallas, Texas

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FEDERAL BUREAU OF INVESTIGATION  
INTERVIEW REPORTDate April 19, 1962

GEORGE WALLACE JACOBS, Marketing Specialist, Dallas Commodity Office, Commodity Credit Corporation, U. S. Department of Agriculture, 500 South Ervay Street, Dallas, Texas, was interviewed and provided a signed statement as follows:

"Dallas, Texas  
April 19, 1962

"I, GEORGE WALLACE JACOBS, being duly sworn, hereby make the following free and voluntary statement to [redacted] and EDWIN D. KUYKENDALL, who have identified themselves to me as Special Agents of the FBI. No threats or promises caused me to make this statement and I know this statement can be used against me in court. I have been advised I can have an attorney if I desire.

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"I was born on July 21, 1908, Henderson, Texas, and presently reside at 6326 Malcolm Street, Dallas. I am presently employed as a Marketing Specialist, Dallas Commodity Office, Commodity Credit Corporation, U. S. Department of Agriculture, Dallas, which position I have held for the past twelve years.

"My duties at present and for the past few years has been as a rice marketing specialist. One of my chief duties is to make disposition of surplus rice taken over under the Government's support program. During the past few months I have had some dealings to a minor degree in marketing milo grain. My duties in connection with rice and grain marketing are carried out in the states of Arkansas, Louisiana, Mississippi and Texas. I have had no dealings in West Texas. I have had no dealings whatever with the cotton allotment program whatever, or in handling storage of surplus grain in the West Texas area.

"I have never met BILLIE SOL ESTES and do not know him personally. I have never had any business transactions with him and have never been called upon to render any decisions or engage in any official activities which dealt with matters in which BILLIE SOL ESTES, Pecos, Texas, had any interest. I have never received any gifts,

Interview with GEORGE WALLACE JACOBS File # DL 58-118  
EP 29-351  
on 4/18, 19/62 at Dallas, Texas Date dictated 4/19/62  
by Special Agent EDWIN D. KUYKENDALL [redacted] (HM)

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gratuities or offers of same from BILLIE SOL ESTES or any other individual. I have no knowledge that BILLIE SOL ESTES or any other individual has ever made any gifts or gratuities or offers of bribes to any U. S. Government official. I have no knowledge that any officials in the U. S. Department of Agriculture or any other government official has ever received any such gifts or offers which may have been received or offered to affect any decision of that official. I have no knowledge that any employees or officials of the U. S. Department of Agriculture have purchased any items from Neiman-Marcus, Dallas, Texas, which articles may have been paid for by BILLIE SOL ESTES or anyone else.

"It is known to me that E. E. DENNARD, another Marketing Specialist employed by the U. S. Department of Agriculture in Dallas, was called as a witness in a court of inquiry at Dallas, Texas, during the past few days by Texas Attorney General WILL WILSON. I was not requested to appear at that court of inquiry and so far as I know, no adverse allegations have been made concerning me. It is my belief that my name came up in this investigation when Attorney General WILL WILSON's staff questioned MR. DENNARD as to the identity of any employees of the U. S. Department of Agriculture in Dallas named JACOBS. I wish to state that my brother EMERY E. JACOBS until a few days ago was Deputy Administrator, Office of State and County Operations, Agricultural Stabilization and Conservation Service, U. S. Department of Agriculture, Washington, D.C. Recent newspaper articles have indicated my brother may have received some articles purchased from Neiman-Marcus, Dallas, a department store, by BILLIE SOL ESTES. I wish to state that I have no knowledge that my brother EMERY JACOBS has ever received anything of that nature purchased or paid for by BILLIE SOL ESTES or anyone affiliated with him.

"I recall that EMERY E. JACOBS was in Dallas one or two times during the Fall of 1961 on business and I recall that he was in Dallas to attend an official meeting of the Department of Agriculture at the time DR. JAMES RALPH was in Dallas and spoke at that meeting. I did not attend the meeting but remember my brother's presence in Dallas at that time, which I believe was in about September, 1961. He stayed at that time at the Statler-Hilton Hotel. I presume

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that my brother has in the past purchased some items of clothing in Dallas, but I have no knowledge that he has been in the Neiman-Marcus store during the past several months, and particularly, I have no knowledge that he purchased or received any clothing from that store which was paid for by someone else. I do not know whether BILLIE SOL ESTES was in Dallas during the time EMERY E. JACOBS was in Dallas on the one or two occasions in the Fall of 1961. My brother, EMERY E. JACOBS, and I have a normal brother relationship, but he has not talked to me during the past few weeks concerning the allegations that have been made against him concerning alleged receipt of any items purchased by BILLIE SOL ESTES and delivered to my brother.

"I have met DR. JAMES RALPH, Washington, D.C., but I have never had any official dealings with him personally. WILLIAM MORRIS, Washington, D.C., is unknown to me personally. I met [redacted] two or three months ago in the office of C. H. MOSELEY in Dallas, but was only introduced to him and engaged in no business with him. I wish to state also that I have had no association with my brother EMERY E. JACOBS in connection with our official duties.

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"I have read the above 4 page statement & it is true & correct to the best of my knowledge.

/s/ GEORGE WALLACE JACOBS

"Sworn to and subscribed before me on April 19, 1962, at Dallas, Texas.

EDWIN D. KUYKENDALL  
Special Agent, FBI,  
Dallas, Texas

WITNESS:

[redacted]  
Special Agent, FBI,  
Dallas, Texas"

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Oral interview was conducted on April 18, 1962.

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MR. JACOBS furnished descriptive data concerning himself as follows:

Race	White
Sex	Male
Date of birth	July 21, 1908, Henderson, Texas
Height	5' 8 1/2"
Weight	165 lbs.
Hair	Black, slightly greying
Eyes	Brown, wears glasses
Complexion	Medium
Scars and marks	Mole over right eyebrow
Military Service	U.S. Army, 11/33 to 11/34 and
Record	from 1934 to June 1935; U.S. Navy 3/44 to 12/45
Clothing	Usually wears size 42 suits; no suspenders used
Arrest record	None
Present residence	6326 Malcolm Street, Dallas,
address	Texas
Marital status	Married
Relatives	<div data-bbox="802 1052 1342 1093" style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Father - WILLIAM L. JACOBS, deceased Mother - CLARA E. JACOBS, Warner, Oklahoma Brothers - EMERY E. JACOBS, present whereabouts unknown, although may be around Oklahoma City, Oklahoma, having resigned a few days ago from U. S. Department of Agriculture, Washington, D.C. CLYDE E. JACOBS, a farmer, Warner, Oklahoma, ROBERT N. JACOBS, City Health In- specter, El Paso, Texas Sisters - None</p> <div data-bbox="784 1624 1450 1794" style="border: 1px solid black; height: 80px; width: 100%;"></div>

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## FEDERAL BUREAU OF INVESTIGATION

Date April 20, 1962

[redacted]  
[redacted] Agricultural Stabilization and Conservation Service (ASCS), United States Department of Agriculture, Dallas, Texas, was duly sworn and advised that he did not have to make any statement and that any statement he might make could be used against him in a court of law. He was advised that no promises were being made in order to cause him to make a statement, oral or written, and that he had a right to consult counsel before making any statement.

[redacted]  
Texas, [redacted] Space Committee of the Dallas  
Commodity Office [redacted]  
[redacted] Department  
of Agriculture [redacted]

[redacted] Space Committee, [redacted]  
three Committee [redacted]

[redacted]  
of BILLIE SOL ESTES or any others.

He is not acquainted with ESTES and has not seen him except on television. He is acquainted with WAYNE COOPER, ESTES' grain storage manager, and has seen him in the Dallas Commodity Office on three or four occasions. On two occasions, COOPER visited [redacted] once after the ESTES Company had taken over the United Elevators at Plainview, Texas. At that time, COOPER had some transit problems, freight payments, and similar matters to discuss with [redacted] which had been problems of the company the ESTES enterprises had taken over. On the second visit to [redacted] COOPER was merely passing the time of day. [redacted] did not attend the director's meeting at the ASCS headquarters at the Merchandise Mart in Dallas on

File # DL 58-188  
EP 29-351

on 4/18/62 at Dallas, Texas

Date dictated 4/20/62

by Special Agents W. HARLAN BROWN and  
CARL E. UNDERHILL

/sa



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October 24 and 25, 1961. He stated that he was on annual leave those dates and therefore had never seen Dr. JAMES RALPH, who spoke to the group at that time, he understood. He has likewise never seen WILLIAM E. MORRIS [REDACTED] He has never formally met E. E. JACOBS, but does know him by sight. He stated that he had met Mr. GODFREY, Deputy Administrator, but only in passing, and he felt confident that GODFREY would not know him.

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He stated that he knew nothing concerning the purchase of any clothing for Government employees and he knew of no person connected with the Government who had any interest in any of ESTES' enterprises. As a matter of fact, he said that when making allocations to the various ESTES warehouses among others, he was not aware that certain warehouses were owned or controlled by ESTES. He said that no pressure had been put on the Space Committee to secure preferential treatment of any kind, and he had never heard of any attempt on the part of anyone to offer anything of value to obtain a special allocation. He said that this was extremely improbable because too many people would know about it shortly afterward.

## FEDERAL BUREAU OF INVESTIGATION

Date April 20, 1962~~F. W. BLEASE~~

Mr. F. WAINWRIGHT ~~BLEASE~~, Assistant Chief, Marketing Operations Division, Agricultural Stabilization and Conservation Service (ASCS) Commodity Office, United States Department of Agriculture, Dallas, Texas, who resides at 1726 Groberry, Dallas, Texas, after being duly sworn and advised he did not have to make any statement and that any statement could be used against him <sup>in court</sup> made the following statement after he had been advised of his right to counsel:

BLEASE stated that he had been employed by the United States Department of Agriculture since July 2, 1934, and had been a member of the Space Committee at the local ASCS office since about May, 1959. The Space Committee was a committee formed by Dallas Commodity Office Director CLARENCE H. MOSELEY in 1959 for the purpose of reviewing allocations of grain to various warehouses covered by the Dallas Commodity Office operations. This committee was set up by MOSELEY in order that the four experts serving on this committee could pass on the allocations and in order that no one person could be accused of directing the shipment of grain to a specific point or warehouse.

BLEASE was not acquainted with BILLIE SOL ESTES and consequently had had no direct dealings with him. He stated that Mr. WAYNE COOPER was the general manager of the grain storage operations of all of ESTES' grain storage enterprises. He had only met COOPER on one occasion but had had no business dealings with him. He had seen ESTES in the Dallas Commodity Office about two years before, at which time ESTES had made a visit to that office. He recalled that on that occasion, ESTES had left a Pecos newspaper which contained a life story on BILLIE SOL ESTES.

He stated that in his opinion it would be extremely difficult to secure the storage of grain in a particular warehouse in view of many people having to pass on grain storage allocations. He said that no one had made any overtures to him at any time, soliciting preferential treatment in the allocation of grain. It was his belief that every precaution possible had been taken by the Dallas Commodity Office to assure that there would be no preferential treatment in the allocation of grain. The Space Committee continuously reviews the allocations, and

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if any warehouseman had been given preferential treatment, it would be easy to "spot on the list." He pointed out that it was only rarely that grain was moved from one place to another except for the purpose of making space available for a new crop.

He was cognizant that the grain trade generally speaking was "afraid of BILLIE SOL ESTES." It was due to ESTES' unethical competing practices and at each grain meeting he had heard people talk about such topics concerning ESTES as the source of his funds and about specifics concerning his grain operations. He stated that all were on guard against BILLIE SOL ESTES and that he did not believe that any employee in the Dallas Commodity Office would have gone to lunch with him.

On the contrary, he said WAYNE COOPER, the general manager of the ESTES grain storage enterprises, was well regarded and had been in the grain storage business for many years and apparently COOPER looked after all of the business in this field.

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Mr. BLEASE was not present at the September 8, 1961 meeting at the Statler Hilton Hotel and was not acquainted with WILLIAM E. MORRIS, [REDACTED] or Dr. JAMES RALPH. He did hear Dr. RALPH was at a meeting in the Dallas Commodity Office about October 24, 1961, but is not personally acquainted with him. He stated that he is acquainted with E. E. JACOBS, but does not have any information concerning ESTES' allegedly having purchased clothing for Government employees at Neiman-Marcus.

He knew of no one connected with the United States Department of Agriculture who has an interest in any of the ESTES enterprises or for that matter in any grain storage warehouse.

## FEDERAL BUREAU OF INVESTIGATION

Date April 19, 1962

[redacted] was located at the Dallas Commodity Office located in the Merchandise Mart. [redacted] was advised that he did not have to furnish any information and that any he did furnish could be used in a court of law. He was advised that no threats or promises would be made to induce him to furnish any information and that he had the right to counsel.

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After being placed under oath, [redacted] advised that he [redacted] Texas. He stated that he will have been with the Department of Agriculture 21 years as of June, 1962, and has been assigned to the Dallas office since January, 1952. He stated in his capacity he is [redacted] Storage Management Division, which division is [redacted]

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[redacted] Storage Management Division, he has been, since its inception, on the Government committee [redacted]

[redacted] stated that the committee had been formed to guard against just such occurrence as was happening in the ESTES' case. He stated that by making allocation the responsibility of a committee, rather than one man, it would remove the possibility of allegations being made that any one man could grant preferential treatment to any given warehouse operator. He stated that he had never known of any such allegations being made prior to the formation of the committee and certainly the committee had removed the space allocations from being susceptible to criticism.

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[redacted] advised that he did not know BILLIE SOL ESTES and that his contacts had been with WAYNE COOPER who was general manager of ESTES' grain storage interests. COOPER had ESTES' Power of Attorney for the purpose of making storage contract agreements with the Government and, presumably, other persons in the grain trade.

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on 4/18/62 at Dallas, Texas Date dictated 4/19/62  
by Special Agents W. HARLAN BROWN and  
CARL E. UNDERHILL/pm

[ ] stated that COOPER had been in the Dallas Commodity Office on several visits in connection with storage contracts and to receive approval of warehouses for the ESTES interests after previously operated warehouses had been taken over.

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COOPER, who [ ] said enjoys a reputation as a capable grain storage man, [ ] Smith-Bawden Grain Company at Plainview, Texas, and COOPER went to work for ESTES when ESTES acquired the Smith-Bawden Grain Company. There was no break in the existing contract when ESTES took over this company.

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[ ] stated that to his knowledge the only other ESTES employee to have been in the Dallas Commodity Office was [ ] ESTES' business interests and whose visit was necessary in connection with a contract since when ESTES acquired sufficient interest in one warehouse to also acquire the managerial responsibilities, there had been a problem as to the operation of the warehouse, and [ ] had come in to provide new information for the new managerial interests.

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[ ] stated that until early April, he had no idea that there were any rumors out concerning ESTES having purchased anything for anybody as far as Government employees and ESTES' business operations were concerned. He stated that he could not recall exactly but believed he had first heard of ESTES buying some Government officials clothing on about April 5, 1962.

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In connection with the information received about ESTES buying clothing, [ ] furnished the following sworn statement:

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"Dallas, Texas  
4/18/62

"I, [ ] being duly sworn, hereby make the following free and voluntary statement to W. Harlan Brown and Carl E. Underhill, who have identified themselves to me as Special Agents of the Federal Bureau of Investigation. No threats, promises or offers of reward have been made to me to obtain this statement. I have been told that I do not have to make a statement and that this statement may be used against me in a court of law and that I have the right to consult with a lawyer before making any statement.

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[redacted] Storage Management Division, Commodity Office, Agricultural Stabilization and Conservation Service, U. S. Department of Agriculture, Dallas, Texas. I have been employed by the Dept. of Agriculture since [redacted]

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"About April 5, 1962 [redacted]

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[redacted] Texas was in my office in the Merchandise Mart in Dallas, Texas. At that time he told me that he had personal knowledge that Billie Sol Estes had purchased clothing for officials of the U. S. Department of Agriculture. He made this remark in the presence of [redacted] [redacted] also of our office. Nothing further was said concerning this topic of conversation on this day.

"On the same day I reported to Mr. Truman J. Cunningham, Deputy Director of the ASCS Commodity Office. Mr. Cunningham called [redacted] and requested that [redacted] again come to the office.

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"On the following day which I believe was April 6, 1962, [redacted] again appeared at the office and talked with Mr. Cunningham and myself. I told him that I was concerned with the remark he had made the day before and that we would appreciate his giving us any specific information on it that he had. Mr. Cunningham remarked that we were vitally concerned because it was a reflection on the employees of the Department of Agriculture. [redacted] said he was reluctant to make a statement, saying he had only heard this about the Department of Agriculture employees. He finally said that he knew the salesman who made the sales. Mr. Cunningham requested the names of individuals involved. [redacted] said he had understood there were five of them and that they were Washington officials. He did not know their names. When we pressed him he said he knew the name of the salesman and gave his name as [redacted]

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[redacted] Neiman Marcus Store in Dallas.

He said that [redacted] Texas. [redacted] to my recollection has storage interests at Hereford, Dimmitt and Easter Community [redacted] Community Grain Co., Hereford, Texas. [redacted] said it was his information that Billie Sol Estes took these men into Neiman Marcus and told a salesman that he wanted them outfitted from head to foot.

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"This information was later transmitted to the Washington headquarters of the U. S. Department of Agriculture.

[redacted] also advised that this was being commonly discussed by persons in the grain trade. He did not identify the source from which he received the information.

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"I have read this statement consisting of this and three other pages and have initialled all corrections and each page. It is true to the best of my knowledge and recollection.

"/s/ [redacted]

"Sworn to and subscribed before  
me on April 18, 1962 at Dallas, Texas  
Carl E. Underhill, Special Agent,  
Federal Bureau of Investigation, Dallas, Texas

"Witness:

"/s/ W. Harlan Brown  
Special Agent, FBI  
Dallas, Texas 4/18/62"

[redacted] stated that no offers had ever been made to him nor to his knowledge had any offers been made to any others in the Dallas Commodity Office or in the Department of Agriculture for preferential treatment for BILLIE SOL ESTES or for any other person in the grain trade. He stated that he had certainly not received any gifts, nor did he know of anyone else who had been recipients of gifts. He stated he had no financial connection with any of ESTES' operations, nor did he know of any Government employees who did.

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When queried as to ESTES building grain warehouses at a time when there was possibly ample capacity for grain storage already in existence, he advised that Hale County, where ESTES' largest warehouse terminal existed, was a large producer of milo, and it was not until after ESTES was in the business that the surplus storage capacity really existed. He stated that the fact that ESTES built warehouses did not guarantee him or anyone else that they would be used. The initial factor

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between local production and storage was between the warehouse operator and the farmer and no Government agency had any say-so as to the warehouse in which the farmer's grain production would be stored. The Government's interest in the farmer's grain did not come about until March 31 of any given production year, and then only if the loan made against the farmer's grain had not been paid off. After that date the grain would become the property of the Government and would be subject to the inspection and jurisdiction of the Government.

He stated that ESTES had been successful in inducing farmers to store in his warehouses, and it was on this basis that ESTES had almost reached the state average of percentage of grain stored as did older, more established, warehouse operators.

[ ] stated that the location of ESTES' operation was not such that he would receive much of the reconcentration grain since the storage of reconcentrated grain, which was shipped from other areas to make room for the new harvest, depended upon a number of factors, an important one of which was maintaining the most economical line of transit from point of origin to ultimate destination in the Gulf ports. [ ] stated that unless all of the other factors outweighed the transit consideration, no shipment would ever be made which would involve extra freight charges.

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[ ] stated that in view of the factors which had to be considered by the space allocation committee in storing grain commodities, it would be impossible for any individual or firm to receive preferential treatment without it being known to many persons. [ ] stated that ESTES had never received any preferential treatment nor had he ever heard of any extra consideration being given ESTES or read any communications or directives which would even hint that any one firm or group was to be considered over any other individual firm or group. [ ] stated that the primary consideration of all operations of the Dallas Commodity Office and of all other such offices in the other areas was to consider what was most economical for the Government.

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[ ] stated that he did not know [ ] personally, nor did he know JAMES RALPH. He said he had met EMERY E. JACOBS, but was not acquainted with WILLIAM E. MORRIS. He advised that he was certain JACOBS was not in any position to

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obtain any preferential treatment for ESTES in any grain storage operations, nor did he know of any means by which ESTES could have been given preferential treatment on any grain storage business from any Government level without it being known immediately. He stated no such information had ever come to his attention.

[ ] advised that when the ESTES situation broke in the newspapers, he had been very appreciative of the fact that no reflection had been cast on persons in the Dallas Commodity Office. He also stated that he was pleased to go on record that to his knowledge, none of his associates had received gifts from ESTES or ESTES' employees. [ ] stated that he had no other information.

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## FEDERAL BUREAU OF INVESTIGATION

Date April 19, 1962

PEARLIE MAITLAND MILLER was located at the Dallas Commodity Office in the Merchandise Mart Building. Mr. MILLER was advised that he did not have to furnish any information, that any he did furnish could be used in a court of law, and that no promises or inducements would be offered him to induce him to furnish a statement. He was advised that he had a right to counsel at all times.

After being placed under oath, Mr. <sup>P.M.</sup> MILLER advised that he resided at 4451 Sixth Avenue, Fort Worth, Texas. He stated he had been with the United States Department of Agriculture since October, 1940, and had been in the Dallas office since November, 1943. He stated that his capacity was that of Section Chief, Inventory Control and Shipping Section, and had been in this capacity since 1948. MILLER stated that he was a member of the four-man committee which had charge of grain warehouse space allocations and had served on the committee for about two years since the committee was first formed. MILLER stated this committee, under the guidance of the director, was responsible for placing grain under the Uniform Grain Storage Agreement. MILLER explained this agreement was essentially a contract between the Commodity Office and warehousemen concerning grain to be stored under the Farm Loan Program. He pointed out that the committee had no authority over any grain warehoused by individual farmers until midnight of March 31 of a given year, which was the date set for the maturity of loans in the case of wheat and grain sorghums.

MILLER stated that the four-man space allocation committee does locate and assign space for what is called reconcentrated grain, which is that grain sent from other areas, generally the Kansas City Commodity Office, when space is needed for incoming grain from the harvest fields or when grain is moving toward the Gulf ports for future export. MILLER pointed out that when this reconcentrated grain is sent into the Dallas Commodity Office area for storage, there are a number of items which must be considered before the grain can be placed in any given warehouse. These considerations include the most economical line of shipment or that most economical to the Government, as well as capabilities of given warehouse management personnel, types of storage facilities, general grades previously stored, and considerations for possible future domestic marketing.

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MILLER advised that the space committee is comprised of men who are capable of considering these various aspects as regards traffic, marketing, and information as to warehouse capabilities. He pointed out that this committee decision would make impossible any preferential treatment for a given warehouseman to not become known very quickly. When one committee member states he believes the grain should be stored in a given warehouse, he must justify his reasons based on all considerations to the other committee members as well as obtain ultimate approval of CLARENCE H. MOSELEY, Director.

MILLER advised that he did not personally know BILLIE SOL ESTES but believes that he met him once in the Dallas Commodity Office approximately two years ago. He stated that he had no knowledge of any preferential treatment ever having been given or considered for ESTES or any of ESTES' employees on ESTES' grain storage operation. He stated that he had no outside business interests in any connection with ESTES or the grain business, nor did he have any knowledge of any Department of Agriculture personnel having any business interests in ESTES' activities or of any business interests which would be a conflict of interest with their job. He advised that no inducements were ever offered to him for preferential treatment for ESTES or anyone.

He stated that several years ago, a man who was considering getting into the grain warehousing business had asked for information as to Government requirements and inquired of MILLER if he would be interested in a share of such warehouse if it were actually built. MILLER had stated he was not interested and, in fact, the individual never pursued the matter further.

MILLER stated that he did not know of any gifts ever having been purchased for Department of Agriculture employees by BILLIE SOL ESTES or anyone else until he read of the allegations made in the local newspapers concerning ESTES. MILLER stated he was not acquainted with Dr. JAMES RALPH, WILLIAM E. MORRIS, or [redacted] and that he only knew EMERY E. "RED" JACOBS through JACOBS' brother, GEORGE, in the Dallas office.

MILLER stated that he had no other information, but that should further questions be desired of him, he was most

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willing to cooperate and welcomed the opportunity to go on record that no preferential treatment of any kind had been afforded BILLIE SOL ESTES' grain storage activities.

## FEDERAL BUREAU OF INVESTIGATION

Date April 19, 1962~~LEE~~ WANNER

LEE ROGERS WANNER was located at the Dallas, Commodity Office in the Merchandise Mart. Mr. WANNER was advised he did not have to furnish any information, that any he did furnish could be used in a court of law and that no threats or promises would be used to induce him to furnish information. He was advised that he had the right to counsel.

After being placed under oath, WANNER advised that he resided at 9825 Parkford Drive, Dallas, Texas. He stated he had been with the United States Department of Agriculture since January, 1937, and had been in the Dallas office since December, 1952. He stated that he had been in essentially the same position as Chief of the Storage Management Division, Dallas Commodity Office, since his arrival in the Dallas area.

WANNER stated that prior to the public hearings on the case of BILLIE SOL ESTES, one [redacted] had been in the Dallas Commodity Office, and he (WANNER) had been out of the office at the time, and in connection with some contract matter, [redacted] had seen WANNER's assistant, [redacted]. When WANNER returned to the office, he dropped into [redacted] office to tell [redacted] "hello" and apologize for being unavailable for a business matter [redacted] wanted to discuss, and at that time was hurriedly and briefly informed by [redacted] that although [redacted] had no first-hand information, he had been told that ESTES had bought clothing at the Neiman-Marcus store in Dallas for some Government officials. WANNER stated he did not recall that the number of men was mentioned or that they had been identified by branch of Government service. WANNER stated he was under the impression, at least, that [redacted] had previously made these same or similar statements to [redacted] prior to his (WANNER's) arrival.

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WANNER stated that the matter was not pursued at this time and after [redacted] had left, he had discussed [redacted] statements with [redacted] and they had thereafter informed Mr. TRUMAN CUNNINGHAM, Assistant Director, of the gist of [redacted] statements and the matter was taken from there by Mr. CUNNINGHAM and the Director, Mr. MOSELEY.

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WANNER stated that to his knowledge, no preferential treatment of ESTES in the grain storage business had ever been

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given, either to ESTES or to his employees. WANNER stated that it would not be impossible to give preferential treatment, but that it would be impossible to conceal such preferential treatment from other individuals having to do with grain warehousing and actually to members of the grain business community. WANNER stated that the committee handling space allocation for storage was set up to facilitate all of the considerations in making space allocations and also to remove any possible criticism if it were handled in the office of any single individual.

WANNER pointed out that the largest of the ESTES warehouses would not be on any normal line of transit for grain being shipped from northern areas toward the Gulf, and his storage would be comprised of grain brought for storage by farmers in the area which, after loan maturity date of March 31, would then be taken over by the Government.

WANNER stated that he had no knowledge of any attempts to induce any officials to give preferential treatment to ESTES, nor did he know of any gifts received in such inducement attempts. He knew of no business interests by any persons, including himself, in the Department of Agriculture which would be in conjunction with the ESTES operations or, in fact, any business operations which would conflict with duties in the Department of Agriculture.

WANNER stated he was not personally acquainted with ESTES and that he had had dealings with WAYNE COOPER, who was the General Manager for the grain business operation of ESTES, but that COOPER had never made any improper statements or advances in trying to secure preferential treatment.

WANNER stated that it was his understanding that COOPER had been in the grain business in one connection or another for many years and had only gone to work for ESTES when ESTES took over the Smith-Bawden Grain Company at Plainview, Texas. WANNER stated it was his understanding that ESTES had hired the entire management group when he took over this company. WANNER stated that to his knowledge, COOPER has a very good reputation as a grain warehouse manager.

WANNER advised that in September, 1961, a meeting of persons engaged in the peanut business had been held at one of the local hotels in Dallas. It so happened that WAYNE COOPER [REDACTED] ESTES' business affairs, were in the office for discussion of a

contract matter, and they invited WANNER, his assistant [redacted] and extended the invitation also to include Assistant Director CUNNINGHAM and Director MOSELEY, to go for lunch at ESTES' hotel in ESTES' suite. WANNER stated that he and [redacted] had begged off because of the press of business, and since CUNNINGHAM and MOSELEY were out of the office, they declined for them also and did not, in fact, even mention the incident to either of them. WANNER stated that he had no interest in going to lunch, and that in view of recent developments, he was indeed grateful for the fact that the press of business had made it convenient for him not to go.

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WANNER stated that he was not acquainted with [redacted] or JAMES RALPH or WILLIAM E. MORRIS. He stated that he was slightly acquainted with EMERY E. JACOBS, but had never had any dealings within the Department with JACOBS.

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WANNER advised that he had no other information pertinent to this interview, but that should additional information be desired of him he would be more than willing to furnish any information. He stated that he appreciated the opportunity of stating that no preferential treatment had been given ESTES or his employees.

FEDERAL BUREAU OF INVESTIGATION  
INTERVIEW REPORTDate April 10, 1962

LEE ROGERS WANNER, Chief, Storage Management Division, Dallas Commodity Office, Agricultural Stabilization and Conservation Service (ASCS), U. S. Department of Agriculture, Dallas, Texas, was interviewed in the office of CLARENCE HILARY MOSELEY, Director of the Dallas Office. MR. MOSELEY had telephonically requested an interview of WANNER in view of information furnished MOSELEY by WANNER on same date.

WANNER advised that on the evening of April 19, 1962, he had received a telephone call at home from one TONY L. REED, who was the Chief Warehouse Examiner for the Dallas Commodity Office in West Texas. REED had told WANNER that one [redacted] who worked under REED, had informed him on an unrecalled date of allegations made by one [redacted] about purchasing an elevator.

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WANNER stated that he thereafter telephonically contacted [redacted] Texas, telephone FLEETWOOD 5-0262, and was informed by [redacted] that on the day of [redacted] last inspection of an elevator [redacted] which elevator was located at Boydston Switch, Texas [redacted] had told him that he had previously been contacted by either one or two men who wanted [redacted] to participate in the purchase of an elevator known as the Paymaster Elevator at Memphis, Texas. [redacted] had said to [redacted] that if a certain percentage of this elevator was given to an employee of the ASCS Commodity Office in Dallas, the elevator would be filled with grain. WANNER stated that this was the substance of his conversation with [redacted]

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WANNER also advised that since receiving this information, he had determined through office records that the Paymaster Grain Company, Memphis, Texas, had operated the elevator as a subsidiary of Anderson-Clayton Company of Houston, Texas. This elevator had been sold, date unknown at this time to WANNER, to [redacted] Cook Grain and Storage Company of Clarendon, Texas, with whom negotiations were currently underway for a contract as to grain warehousing. WANNER also added that a review of his files

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indicated that the last recorded date of contact with [redacted] had been on March 22, 1962. WANNER pointed out he had no way of knowing at what point the contact had been made with [redacted] by the individuals making the proposition concerning the Paymaster elevator. WANNER advised that he had desired to furnish the above information to the FBI at the earliest opportunity after receiving same. He stated he could furnish no additional information concerning this matter, except that [redacted] had refused to participate in the purchase of Paymaster elevator at Memphis, Texas.

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## FEDERAL BUREAU OF INVESTIGATION

4/20/62

Date

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[redacted]  
[redacted]  
[redacted] Texas, was interviewed at his place of business by SA's WILLIAM R. JENKINS and [redacted] and was advised by SA JENKINS that he desired to question him under oath relative to allegations concerning misconduct in office of Government officials.

[redacted] stated that he did not desire to be placed under oath and that "starting now", he could remember nothing. He stated his livelihood depended upon various Government agricultural agencies and that he and the rest of the farmers around were scared. He declined to answer any questions. He commented that even if he were placed in jail, he would decline to answer any questions. He spoke of dishonesty of Government and Government officials and stated that "I can see that you're just like the rest of them". He again declined to answer any questions and the interview was terminated.

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on 4/20/62 at [redacted] Texas File # DL 58-188  
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by Special Agents WILLIAM R. JENKINS [redacted] /wvm

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## FEDERAL BUREAU OF INVESTIGATION

Date April 19, 1962

[redacted] met with interviewing Agents at the Dallas Commodity Office, located in the Merchandise Mart. [redacted] was advised that he did not have to furnish any information and that any he did furnish could be used in a court of law. He was informed that no threats or promises would be made to him to induce him to furnish information and that he had a right to counsel at all times.

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After being placed under oath, [redacted] advised that he had been in the grain business in Carrollton, Texas, since 1931, both in the Blanton Grain Company, [redacted] and in the Blanton Storage Company and Blanton Elevator Company, both of which were corporations. He stated that in the three companies, they had six elevators and were in the process of buying a seventh. He advised that none of these elevators was in the competitive area of warehouses operated by BILLIE SOL ESTES.

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[redacted] advised that he had a two-fold interest in the ESTES grain storage operations; first, that the grain business was his livelihood; and second, that he believed the ethical standards of the grain trade had been undermined and harmed both in the public eye and in dealings with farmers by ESTES' operation.

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[redacted] Texas Grain and Feed Association [redacted]  
[redacted] Grain and Feed Dealers National  
Association [redacted]  
of the National Association.

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[redacted] stated that ESTES was a source of irritation to the Texas grain industry in general. ESTES was unethical in his dealings with farmers and had hurt the grain and warehousing business relations with farmers in his inducements to get individual farmers to store grain in his warehouses. He stated that ESTES had given free storage to the farmers from date of storage until loan maturity date of March 31 and forced other warehousemen to do likewise in order to meet ESTES' competition. He stated that most of the operators had suffered financially and could ill afford to engage in such competition.

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[ ] stated that he wanted to go on record that he has the highest regard for the operation of the Dallas Commodity Office in their dealings with all persons in the grain trade. He stated that the integrity of the Dallas Agricultural officials was unquestioned. It was as a result of this when he heard in mid-October, 1961, of a rumor concerning BILLIE SOL ESTES having brought five men into Neiman-Marcus store in Dallas and outfitting them at his expense, he had felt that the integrity of the Dallas Commodity Office was such as to be deserving to know of this rumor being circulated in the grain trade. He stated the information as told him did not include any mention being made as to the Department of Government that the men were in, although the inference at least was that the five men were from out of town. There was no information received by [ ] as to whether the five men had gone in together or separately with ESTES for the clothing.

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~~X~~ SHIRLEY GRAIN COMPANY, BOVINA, TEX.  
[ ] stated that he had originally been informed of ESTES' clothing gifts by one [ ]  
[ ] Shirley-Anderson Grain Company at Bovina, Texas, and later heard the same information from [ ]  
Producers Grain Corporation at Amarillo, Texas.

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~~X~~ PRODUCERS GRAIN COMPANY, AMARILLO, TEX.  
[ ] advised that he understood [ ] had received the information as to the clothing gifts from a personal friend named [ ] Neiman-Marcus store in Dallas, Texas. [ ] stated that he had originally furnished this information, which he wanted to point out was strictly hearsay and rumor, to [ ] at the Dallas Commodity Office on April 9, 1962, and had returned to this office on April 10, 1962, at the request of Assistant Director TRUMAN CUNNINGHAM and had repeated the information to Mr. CUNNINGHAM and Mr. MOSELEY, Director.

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[ ] stated that he had no knowledge of any Department of Agriculture people having any business interests in the activities of BILLIE SOL ESTES or in the grain business in general. He continued that he did not believe any preferential treatment had been afforded the ESTES operation and stated that in his opinion such would be impossible without it being known in the industry. He stated that this was particularly true in ESTES' case, since he had incurred much enmity in the business through practices which were regarded as unethical but which

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were not irregular or sufficient to expel him from the grain association. He stated that the unethical practices had been discussed in and out of Government circles, but while they were unethical, they were not of the nature that violated any Government storage contracts in any way, shape or form.

[ ] stated that he wanted to reiterate that the information he had furnished to the Dallas Commodity Office had been strictly hearsay and it was still hearsay when he repeated it to the interviewing Agents.

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[ ] advised that he had no personal use for BILLIE SOL ESTES, although he did not know him personally. He stated that he believed ESTES was most harmful to the grain trade. He stated that there had been considerable discussion between grain warehousemen that something must be wrong with ESTES' operation in some manner when he started giving free storage to farmers and selling fertilizer at below cost.

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[ ] stated that ESTES' grain manager was WAYNE COOPER, [ ] regarded as being a man of good character, reputation, and having a very capable knowledge of grain warehouse management activities. He stated he believed COOPER to be a man of integrity and could not in his own mind reconcile ESTES' unethical business practices with COOPER being ESTES' general manager for grain operations. He stated in his opinion, ESTES would hire a man like COOPER if for no other reason than because of the high standards of grain management required by the Commodity Storage offices of the Department of Agriculture.

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[ ] stated that he also wanted to reiterate that he did not believe ESTES' grain storage operations had received preferential treatment and that he had the utmost respect and admiration for the integrity of the Dallas Commodity Office in their operations and dealings with all persons in the grain trade. [ ] stated he had no further information.

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## FEDERAL BUREAU OF INVESTIGATION

Date April 20, 1962

[redacted] Sherley Grain Company, Bovina, Texas, was interviewed and the following signed statement executed:

"11:46 AM, 4/18/62  
Bovina, Texas

"I, [redacted] being duly sworn, make the following free and voluntary statement to Special Agents William R. Jenkins and [redacted] of the Federal Bureau of Investigation.

"I am [redacted] Sherley Grain Company at Bovina, Texas.

"In about January, 1962 I was in Dallas, Texas, and visited [redacted] Nieman-Marcus department store in Dallas. We went to a small restaurant near the store to have coffee. While having coffee, [redacted] showed me a piece of paper which appeared to be from a scratch pad.

"As well as I can remember this piece of paper had a list of clothing and shoes and a mailing address of a Mary Campbell in Washington, D. C. Among the notes on this paper, the name Orville Freeman appeared.

[redacted] told me that on September 8, 1961, Billy Estes was in the store with a man who [redacted] thought was a Washington official but that it definitely was not Orville Freeman. [redacted] told me that Billy Estes was back in the store on about October 25, 1961, with another man that he described as a large red-headed man. He said that it was on this occasion that the clothes purchased were shipped to Mary Campbell in Washington, D. C.

"No photostatic copy was made of this note but I did make a copy myself which I am delivering to Special Agent Jenkins at this time. This note was copied from the note in the possession of [redacted]

"I definitely clarified with [redacted] that it was not Mr. Orville Freeman who was in the store with Billy Estes on either occasion.

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by Special Agents WILLIAM R. JENKINS and  
[redacted] pm

"As far as I remember the only person that I have shown the above note was [redacted] Producers Grain Company in Amarillo, Texas.

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"I have talked with [redacted] [redacted] Texas, who told me that he was in Nieman Marcus on about September and saw Billy Estes with some individual and told me that the man with Estes definitely was not Orville Freeman.

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"I have never seen the statement 'paid for by Estes with \$100.00 bills\_ written on any note or sales ticket.

"In regard to the name Orville Freeman on the above note, [redacted] told me that he thought that Estes was just trying to impress the sales people by dropping the name of Orville Freeman.

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"/s/ [redacted]

"Sworn and subscribed before me on April 18, 1962, at Bovina, Texas.

"/s/ W. R. Jenkins  
Special Agent, FBI, Dallas, Texas

"Witness

"/s/ [redacted]  
Special Agent, FBI  
Dallas, Texas"

The note furnished by [redacted] at the time of the statement bore the following notations:

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"Mary Campbell  
4500 Conneticotoet  
Apt 401  
Wah D.C. 10-25  
2 suits  
sport coat  
2 Pr alligatr shoes 10 D  
\$1000.00"

The reverse side of this note bore the following notations:

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"9-8-61        800.00  
Orville Frēman  
395.00 Vicuna  
coat  
2- 245.00 suits  
Washington  
Texas: also  
allegatr shoes"

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## FEDERAL BUREAU OF INVESTIGATION

Date April 20, 1962b6  
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[redacted]  
[redacted]  
[redacted] Producers Grain Corporation, Amarillo, Texas,  
was interviewed and furnished the following signed statement:

"Resident Agency, Amarillo, Texas,  
9:00 AM, April 19, 1962

"I, [redacted] being duly sworn, make the following free and voluntary statement to Special Agents William R. Jenkins and [redacted] of the Federal Bureau of Investigation.

"I am [redacted]  
[redacted] Producers Grain Corporation, 318 Petroleum  
Building, Amarillo, Texas,

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"About two months ago, I was talking with [redacted]  
[redacted] Texas, about the activities of Billy Sol  
Estes and during this conversation, he showed me a small piece  
of note paper which contained some names and a list of clothing.  
[redacted] told me that this was information that he got from a  
salesman at Nieman-Marcus Department store in Dallas, Texas.  
[redacted] gave me the impression that the salesman had indicated  
that Estes had bought clothing for Orville Freeman.

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"This is the only information that I have concerning  
this incident and have no information whatsoever as to its  
authenticity.

"/s/ [redacted]

"Sworn to and subscribed before me this 19th Day of  
April, 1962, at Amarillo, Texas,

"/s/ W. R. Jenkins  
Special Agent, FBI, Dallas, Texas

"Witness

"/s/ [redacted]  
Special Agent, FBI, Dallas, Texas."

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by Special Agents WILLIAM R. JENKINS and  
[redacted] pm

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advised that he had never seen or heard of any sales ticket in the name of ORVILLE FREEMAN from Neiman-Marcus Company bearing any such notation as "paid for in \$100.00 bills by ESTES".

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FEDERAL BUREAU OF INVESTIGATION  
INTERVIEW REPORTDate 4/19/62

[redacted] advised  
under oath [redacted]

[redacted] L & M Grain Company of Lubbock, Texas; (2) Carlile Grain Company, of Carlile, Texas; (3) Ropes Grain Corporation, Ropesville, Texas.

He related he has talked to Mr. BILLIE SOL ESTES on the telephone on two occasions, but has never met ESTES personally. He pointed out on September 8, 1961, he [redacted] was in Dallas, Texas, on business and after completing his business, he went to the Neiman-Marcus Department Store. While at Neiman-Marcus, he visited the Men's Department and contacted an old acquaintance, a [redacted] who related BILLIE SOL ESTES was presently in the store and that he had called previously stating, "The Secretary of Agriculture would be there". [redacted] related that ESTES and several men were in the fitting and showroom of the Men's Department and invited [redacted] to enter. [redacted] said he thought he would see the Secretary of Agriculture, ORVILLE FREEMAN; however, after entering the showroom, he noted that Mr. FREEMAN was not present. [redacted] stated he recognized BILLIE SOL ESTES from his pictures that had been in the newspaper, but was not able to recall the identities of any of the other men with ESTES, [redacted] said he was not acquainted with Dr. JAMES RALPH, WILLIAM E. MORRIS, EMORY E. JACOBS, [redacted]

[redacted] said he is considered a small grain storage operator and knew little about ESTES' enterprises. He added he has furnished this information previously to the Texas State Attorney General, WILL WILSON, upon request.

[redacted] concluded by advising he just observed this small group of men with ESTES, was unable to identify any of the members.

Interview with \_\_\_\_\_ File # EP 29-351  
DL 58-188  
on 4/18/62 at Lubbock, Texas Date dictated 4/19/62  
by Special Agents [redacted]  
RICHARD AVERY DYER /rmb

FEDERAL BUREAU OF INVESTIGATION  
INTERVIEW REPORTDate 4/19/62

Mr. WAYNE L. COOPER, United Elevators, Plainview, Texas, was advised he did not have to make any statement, but whatever statement was made could be used in a court of law against him. He was advised of his right to consult a lawyer prior to making any statement. He related he fully understood his rights and would discuss the matter; however, he declined to furnish a signed statement, stating that he had been subpoenaed to testify at Lubbock, Texas, on April 19, 1962, and that he recognized any statements made at this time would be under oath and felt that would suffice for his comments. Mr. COOPER was placed under oath and furnished the following information:

He advised that he was president and manager of the Smith-Bawden Grain Company of Plainview, Texas, and that in September, 1958, he and the other stockholders sold their three million bushel capacity elevator to Mr. BILLIE SOL ESTES. He pointed out ESTES paid \$250,000 cash and that the balance was to be paid at the end of 2 years, at annual rate of interest of 5 percent, and that at the present time ESTES still owed their company \$300,000. He pointed out that ESTES agreed to retain him (COOPER) as manager and that he stayed on as manager to protect, not only his personal interest, but the interest of the Smith-Bawden Corporation. He related that ESTES apparently had a very rapid growth in the grain elevator business and that on more than one occasion he (COOPER) objected to it and he pointed out that in addition to his salary, ESTES agreed to permit COOPER to share in the net profits, after corporate taxes. He advised on March 7, 1960, he received a letter from Mr. ESTES which stated his services were no longer needed, effective April 10, 1960. Mr. COOPER related that upon receipt of this letter, a demand was made of ESTES to pay the balance of \$300,000, at which time Mr. ESTES agreed orally to retain COOPER as manager of the elevator and grain storage business and that his salary was increased, but that he did not share in the net profits plan as before.

Mr. COOPER stated at this time he continues to manage the United Elevators and is working for the receiver for the Government. He said he was the general manager and that they were doing business as the United Elevators, which was licensed

Interview with \_\_\_\_\_ File # EP 29-351  
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on 4/18/62 at Plainview, Texas Date dictated 4/19/62  
by Special Agent [redacted] and  
RICHARD AVERY DYER /rmb

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to BILLIE SOL ESTES. He said he also had general manager responsibilities of the Hale County Grain Company of Plainview, Texas, which was licensed [redacted] and that he understood 50 percent ownership of this installation would become property of Mr. ESTES after the property had been paid out. He advised that he also manages the Palo Duro Grain Company of Tulia, Texas, which was licensed as C. E. DAVIS, and that the same ownership ratio applied meaning ESTES owned 50 percent of the stock after the property had been paid out. He related that in South Plains Grain Company, Inc., of Levelland, Texas, the same financial structure existed, and that ESTES owned 50 percent of same. He stated the Allied Elevator Company of Hereford, Texas, was licensed [redacted] Pecos, Texas, and that ESTES would own 90 percent of the company after the plant had been paid out. Mr. COOPER stated that at each installation there was a local manager and that there was some intermovement between Hale County Grain Company and United Elevators, Plainview, since both were located very close together and they did exchange grain, one with another, on occasion.

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Mr. COOPER advised he has met Dr. JAMES RALPH, who then was Assistant Secretary of Agriculture, and has met Mr. WILLIAM E. MORRIS, who was an employee of the Department of Agriculture, and has met EMORY E. JACOBS, on one or more occasions. He related that during September, 1961, exact date unrecalled, he was in Dallas, Texas and did have dinner with ESTES, Dr. RALPH,

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[redacted] ESTES in Pecos, Texas, [redacted] Texas. He related there was no business conducted at this dinner. He recalled dinner was held at the Sheraton-Dallas Hotel. He said he has no information or personal knowledge of gifts, gratuities or any inducement made by ESTES to any employee of the Department of Agriculture. He advised that, to his knowledge, there has never been moved into the facilities of the United Elevators any grain that came about as a result of possible connection of BILLIE SOL ESTES with any official or employee of the U. S. Department of Agriculture. He said that to his knowledge there has never been a single truck-load of grain weighed across the scales of United Elevators property that was delivered to United Elevators as a result of any connection between the grain business operated under the name of United Elevators and the fertilizer business operated by or under the direction of BILLIE SOL ESTES. He said to his knowledge there had been no preferential treatment given to United Elevators by the Dallas Commodity Office of the Agricultural Stabilization and Conservation Service. He said he felt their records will show that more than 25 percent of the present stock held by the United Elevators originated directly from Commodity Credit Corporation and the balance of the stock was produced

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either through farmers or other elevators where Commodity Credit Corporation had no authority to designate the receiving elevator. He pointed out to his knowledge no employee of the Department of Agriculture has any financial investment or interest in the United Elevators or other grain companies over which he had any supervision. He pointed out Mr. ESTES' relationship with him was that of a business relationship although he had been to ESTES' home at Pecos, Texas, on one occasion; he considered himself an employee at all times and that his former corporation holds a first mortgage for the United Elevators property. He said his company had nothing to do with the fertilizer business.

The following description was obtained through interview and observation:

NAME	WAYNE L. COOPER
Race	White
Sex	Male
Date of birth	November 16, 1914
Place of birth	Markley, Texas
Height	5'9½"
Weight	180 lbs.
Hair	Black
Eyes	Brown
Residence	1200 Yonkers, Plainview, Texas

## FEDERAL BUREAU OF INVESTIGATION

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[redacted] Morrison Milling Company, [redacted] advised that he has had considerable correspondence with the Commodity Stabilization Service, U. S. Department of Agriculture, concerning the unethical and harmful practices in the grain storage industry in Texas. He advised that he does not know BILLIE SOL ESTES personally and neither is he acquainted with Dr. JAMES P. RALPH, WILLIAM E. MORRIS, EMERY E. JACOBS or [redacted] stated he had no information concerning any gifts given by ESTES to these persons in return for their influence or assistance.

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FEDERAL BUREAU OF INVESTIGATION  
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Justice of the Peace GLENN BYRD made available records subpoenaed by his court from the Statler-Hilton Hotel, as made available by [redacted] Statler-Hilton Hotel, Dallas. These records reflected that EMERY E. JACOBS, U. S. Department of Agriculture, checked into the Statler-Hilton Hotel on October 23, 1961, at 10:20 A.M., and checked out on October 25, 1961, at 3:39 P.M. He held room 542, rate \$8.00, Folio No. A35472.

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[redacted] also furnished a registration card for BILLIE SOL ESTES which reflects that he checked into the Statler Hilton Hotel on October 24, 1961, at 7:29 P.M., checking out at 3:28 P.M., on October 25, 1961. He held a suite of six rooms, Rooms 1202, 1204, 1206, 1205, 1209 and 1216.

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Justice of the Peace BYRD also made available records from the Sheraton-Dallas Hotel, Dallas, Texas, as made available by [redacted] which reflected that BILLIE SOL ESTES registered at the Sheraton-Dallas Hotel on September 6, 1961, at 9:10 P.M., departing on September 9, 1961, at 9:01 A.M., holding rooms 2911, 2912, and 2913. JAMES T. RALPH, Assistant Secretary of Agriculture, Washington, D. C., registered at the Sheraton-Dallas Hotel at 9:20 P.M., on September 7, 1961, departing 3:00 P.M., on September 10, 1961. RALPH was registered to Room 2419. WILLIAM E. MORRIS, U. S. Department of Agriculture, registered at 9:20 P.M., on September 7, 1961, departing 9:17 A.M., on September 9, 1961, having been in Room 2421.

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Interview with GLENN BYRD File # DL 58-188  
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on 4/17/62 at Dallas, Texas Date dictated 4/19/62  
by Special Agent JAMES P. HOSTY, JR. /jeg



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The above records can be obtained through issuance of  
a subpoena duces tecum

Interview with  File # DL 58-188  
on 4/17/62 at  Texas EP 29-351  
by Special Agent JAMES P. HOSTY, JR -/jeg Date dictated 4/19/62

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FEDERAL BUREAU OF INVESTIGATION  
INTERVIEW REPORTDate 4/19/62

[redacted] Texas, b6  
[redacted] Statler-Hilton b7C  
advised that she was [redacted] Hotel Dallas, however, she is now employed as a housewife.  
[redacted] stated that she could not specifically recall ever having handled an account involving EMERY E. JACOBS or any other U. S. Department of Agriculture employee or any employee of the U. S. Government in which a hotel bill was charged to BILLIE SOL ESTES. [redacted] did state, however, that she remembers BILLIE SOL ESTES being in the Statler-Hilton Hotel on numerous occasions and that numerous individuals, exact names unrecalled, did charge their hotel bills to his account. [redacted] stated this was a common custom and that individuals would merely go up to the cashier and state they wanted their bills charged to the account of BILLIE SOL ESTES Enterprises of Pecos, Texas.

~~BILLIE SOL ESTES ENTERPRISES~~  
~~ESTES ENTERPRISES~~

Interview with [redacted] File # DL 58-188  
on 4/19/62 at [redacted] Texas Date dictated 4/19/62  
by Special Agents JAMES P. HOSTY, JR., and [redacted] /jeg

FEDERAL BUREAU OF INVESTIGATION  
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b7DSheraton-Dallas

The above records can be obtained through issuance of  
a subpoena duces tecum to [REDACTED]

Interview with [REDACTED] File # DL 58-188  
EP-29-351  
on 4/18/62 at [REDACTED] Texas Date dictated 4/19/62  
by Special Agent JAMES P. HOSTY, JR. /jeg

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## FEDERAL BUREAU OF INVESTIGATION

Date April 20, 1962b6  
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[REDACTED]

The above record can be obtained through the issuance of a subpoena duces tecum, directed to [REDACTED]

File # DL 58-188  
EP 29-351on 4/19/62 at [REDACTED] Texas Date dictated 4/19/62by Special Agent [REDACTED] omb6  
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The following investigation was conducted by SAs  
[redacted] and JAMES P. HOSTY, JR., on April 19, 1962:

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AT DALLAS, TEXAS

[redacted] Sheraton-Dallas  
Hotel, [redacted] Baker Hotel, Dallas, both  
advised they could not locate any record at their respective  
hotels, that EMERY E. JACOBS of Washington, D. C., was a guest  
or registered at these hotels during the period September 9  
through 11, 1961.

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[redacted] Braniff  
Airways, advised all passenger lists are destroyed after 90  
days and, therefore, he had no record of passengers departing  
Dallas on September 11, 1961, on Braniff Flight 50.

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RECORDS OF NEIMAN-MARCUS, DALLAS, TEXAS

On April 17, 1962, SAs VINCENT E. DRAIN and GASTON C. THOMPSON contacted Mr. EDWARD MARCUS, Executive Vice President, and NORMAN W. BRAMLEY, Vice President and Treasurer, Neiman-Marcus, Main and Ervay, Dallas, Texas, and requested all books and records pertaining to purchases and transactions by, for, and on behalf of BILLIE SOL ESTES, Pecos, Texas, be made available for review and reproduction, if necessary. Mr. BRAMLEY advised a number of the requested records had been produced pursuant to subpoena issued on instruction of Honorable WILL WILSON, Attorney General, State of Texas, before a court of inquiry at Dallas, Texas, and had been maintained by such court as evidence. He stated copies of these documents are available in the files of Neiman-Marcus. Permission was also requested to interview personnel of Neiman-Marcus who appeared to possess information pertinent to this investigation.

Mr. BRAMLEY advised Neiman-Marcus made a release to the press, following the court of inquiry referred to above, to the effect that Neiman-Marcus adheres to the policy of releasing information concerning customers' accounts and transactions only upon subpoena received from a proper court authority. He asked that a subpoena duces tecum be served on him prior to making the requested records available.

Accordingly, a subpoena duces tecum calling for production of all books and records pertaining in any way to purchases and transactions by, for, or on behalf of BILLIE SOL ESTES, Pecos, Texas, before a Federal Grand Jury, Dallas, Texas, 10 a.m., April 24, 1962, was issued by the Clerk, United States District Court, Northern District of Texas, Dallas, on April 17, 1962, on instructions of United States Attorney H. BAREFOOT SANDERS, and served on BRAMLEY by Deputy United States Marshal HENRY WHITE approximately 4 p.m., the same date (April 17, 1962).

Following service of the above subpoena duces tecum, Mr. BRAMLEY advised he would make the requested records available for review and reproduction, if necessary, by Bureau Agents.

## FEDERAL BUREAU OF INVESTIGATION

Date April 20, 1962

During the period April 17 through 20, 1962, books and records of Neiman-Marcus, Main and Ervay, Dallas, Texas, were reviewed as follows:

(1) Ledger sheet captioned "Mr. BILLY SOL ESTES, Box 1052, Pecos, Texas", and Recordak film records of related statements, sales (charge) tickets, and receipts supporting charges and credits to that account for the period such account was active, from January, 1960, through February, 1962.

(2) Cash sales tickets and alteration tickets for periods as follows:

September 7 - 9, 1961

October 9 - 10, 1961

October 23 - 25, 1961

(3) Clientele book of salesman ROB (BOB) WATSON.

(4) Merchandise refund tickets for October 24, 1961.

The files of Neiman-Marcus did not reveal any charge account for Dr. JAMES T. RALPH, WILLIAM E. MORRIS or EMERY E. JACOBS.

Review of Neiman-Marcus records reveal sales tickets which appear pertinent to this investigation, as follows:

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on 4/17-20/62 at Dallas, Texas Date dictated 4/20/62

by Special Agents GASTON C. THOMPSON and  
VINCENT E. DRAIN/pm

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Sales Tickets Charged to Account  
of  
BILLY SOL ESTES

<u>Sales Ticket</u>	<u>Sales No.</u>	<u>Date</u>	<u>Send To:</u>	<u>Items</u>	<u>Amount</u>
63180-18 Dept. 362 (Men's Shoes)	312	9/8/61	T (Take)	1 pr shoes (10 $\frac{1}{2}$ D) " " Tax	\$135.00 40.00 32.50 4.15 <u>\$211.65</u>
63180-21 Dept. 362 (Men's Shoes)	312	9/8/61	"Mr. Billy Sol Estes, 2912 Sheraton Hotel, Down- town"	1 pr shoes (9B) " Tax	\$ 36.95 36.95 1.48 <u>\$ 75.38</u>
63194-16 (Men's Dept.)	108	9/9/61	"Mr. Billy Sol Estes, Box 1051, Pecos, Texas"	6 shirts 1 handkerchief 2 handkerchiefs 1 tie 2 ties 3 ties Tax	\$101.70 2.50 6.00 8.50 20.00 37.50 3.72 <u>\$179.92</u>
63118-22 (Dept. 370 Men's Suits)	367	9/9/61	"Billie Sol Estes, Box 1051, Pecos, Tex."	1 spt. coat (41R) 1 pr trousers Tax	\$195.00 45.00 4.80 <u>\$244.80</u>
63194-14 (Men's Dept.)	108	9/9/61	(Blank)	6 shirts 1 tie 2 ties 3 ties Tax	\$101.70 15.00 17.00 30.00 3.27 <u>\$166.97</u>



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<u>Sales Ticket</u>	<u>Sales No.</u>	<u>Date</u>	<u>Send To:</u>	<u>Items</u>	<u>Amount</u>
63118-24 (Dept. 370 Men's Suits)	367	9/9/61	(Blank)	1 suit (41R) Tax	\$245.00 4.90 <u>\$249.90</u>
63118-23 (Dept. 370 Men's Suits)	367	9/9/61	(Blank)	1 suit (41R) Tax	\$260.00 5.20 <u>\$265.20</u>
63118-49 (Dept. 370 Men's Suits)	367	9/14/61	"Billie Sol Estes, Washington Hotel, Washington, D. C."	2 suits air mailed	\$ 2.80
65542-20 (Dept. 370 Men's Suits)	367	10/25/61	"Billie Sol Estes, Box 1051, Pecos, Texas"	1 spt. coat (40R) Trousers (36) Tax	\$245.00 65.00 6.20 <u>\$316.20</u>
65876-17 (Men's Dept.)	108	10/25/61	"Mr. Billie Sol Estes, Box 1051, Pecos, Texas"	1 tie 1 tie 2 ties 3 ties St. Tax Del.	\$ 7.50 8.50 30.00 30.00 1.52 .35 <u>\$77.87</u>

Cash Sales Tickets

65890-1 (Dept. 362 Men's Shoes)	312	10/25/61	T (Take)	2 pr shoes (10D) \$135 ea. Tax	\$270.00 5.40 <u>\$275.40</u>
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<u>Sales Ticket:</u>	<u>Sales No.</u>	<u>Date</u>	<u>Send To:</u>	<u>Items</u>	<u>Amount</u>
65542-21 (Dept. 370 Men's Suits)	367	10/25/61	"Mrs. PEGGY CAMPBELL, 4500 Connec- ticut, Apt. 401, Wash. D. C."	1 suit (48R)	\$245.00
65542-22 (Dept. 370 Men's Suits)	367	10/25/61	"Mrs. PEGGY <del>CAMPBELL,</del> 4500 Connec- ticut, Apt. 401, Washington, D. C."	1 suit (48R)	\$245.00
65542-23 (Dept. 370 Men's Suits)	367	10/25/61	Same as above	1 spt. coat (48R) 1 pr. trousers (44) 1 pr. trousers (44)	\$195.00 65.00 65.00 <u>\$325.00</u>
65876-11 (Men's Dept.)	108	10/25/61	Same as above	4 shirts 1 shirt 1 shirt 2 belts 2 ties 2 ties 1 tie 1 tie Del.	\$ 67.80 22.50 12.95 30.00 17.00 15.00 15.00 10.00 .65 <u>\$190.90</u>
65869-4 (MS - Men's Shirts)	400MR	10/24/61	"Dr. JAMES RALPH - T"	5 shirts Tax	\$ 34.75 .70 <u>\$ 35.45</u>

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There were located in the records of Neiman-Marcus (NM) two alteration tickets Nos. 30784 and 30785, both dated September 9, 1961, for alteration to two size 41 suits, one in the amount of \$245.00 and the other in the amount of \$260.00, handled by the salesman assigned sales number 367. Both of these tickets bore notations indicating the suits were to be charged to the account of BILLIE SOL ESTES. Both tickets also bore notations "no name in pocket".

In this connection, it is pointed out that NM sales tickets Nos. 63188-23 and 63188-24 dated September 9, 1961, and set out in detail above, relate to two size 41 suits of the same price(s) listed on the above alteration tickets. Attention is also directed to NM sales ticket 63118-49, dated September 14, 1961, covering a \$2.80 charge for forwarding two suits by air mail to BILLIE SOL ESTES at the Washington Hotel, Washington, D. C. All three of the above sales tickets were charged to ESTES' account at NM.

There was located in the files of NM alteration ticket No. 31880, dated October 25, 1961, for alteration on one sport coat size 40R, and one pair of slacks purchased in the name of BILLIE SOL ESTES and charged to ESTES' account at NM per sales ticket No. 65542-20, dated October 25, 1961. This alteration ticket (No. 31880) contained handwritten figures on the reverse side as follows:

"245	12.95	BSE
195	8.50	245
65	7.50	65
65	16.95	7.50
245	16.95	<u>317.50</u>
65	16.95	
shoes 275.40	16.95	
<u>1,155.40</u>	16.95	
	40.00 belts	
	10.00	
	7.50	
	15.-	
	<u>186.20</u>	

It will be noted that six of the figures contained in the first column agree with figures contained on NM sales tickets Nos. 65890-1, 65542-21, 65542-22, and 65542-23, all dated October 25, 1961, and described in detail previously above.

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It will be noted that several of the figures contained in column 2 above agree with figures contained in NM cash sales ticket No. 65876-11, dated October 25, 1961, set out in detail above.

Further, it will be noted that the figures in column 3 "245" and "65" agree with two figures contained in NM sales ticket 65542-20, dated October 25, 1961, and charged to the account of BILLIE SOL ESTES.

There were also located in the files of NM alteration tickets Nos. 31877 and 31878, both dated October 25, 1961, which tickets relate to a portion of the merchandise covered by NM cash sales tickets Nos. 65542-21, 65542-22, and 65542-23, all dated October 25, 1961, and set out in detail in the above schedules. A review of these two alteration tickets reflects the name "JACOBS" was originally written on the tickets, but later scratched through and a notation made that the merchandise covered by the alteration tickets was to be sent to "PEGGY CAMPBELL, Washington, D. C."

There was located in the shoe department of NM a card containing a chronological record of shoes purchased in the name of "BILLY SOL ESTES, Box 1051, Pecos, Texas". This card reflected that on September 8, 1961, ESTES purchased two pair of shoes at a price of \$36.95 each, size 9B, "for friend". In this connection, attention is directed to NM sales slip No. 63180-21, dated September 8, 1961, in the total amount of \$75.38, covering purchase of two pair of shoes of the above description. The sales ticket covering this purchase was charged to the account of BILLIE SOL ESTES at NM and bears the notation the shoes are to be delivered to ESTES at Room 2912, Sheraton Hotel, Dallas, Texas.

There was also located in the files of NM a merchandise refund ticket (No. 1416-28), dated October 24, 1961, in favor of "DR. JAMES RALPH, 5922 Seacliff, McLean, Va.", in connection with the return of two shirts priced at \$16.95 each, plus 68 cents tax for a total credit of \$34.58. The "Returned Merchandise Authorization" slip attached to this refund ticket was prepared by [redacted] under date of October 24, 1961, and indicated the shirts were originally purchased on October 9, 1961. Contained among the cash sales tickets of NM for date of October 24, 1961, was sales ticket No. 65869-4 for five shirts at a price of \$6.95 each, plus 70 cents tax,

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total amount \$35.45. This cash ticket bore the notation "Dr. JAMES RALPH" and the letter "T" indicating Dr. RALPH took the five shirts with him. This cash ticket was noted to contain the initials [redacted] who prepared the merchandise refund ticket referred to above. Attention has been directed to the above refund ticket and cash sales ticket inasmuch as these documents indicate the possibility that RALPH returned two shirts, total value \$34.58, and obtained five shirts, total value \$35.45, paying the small difference in cash.

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In connection with the return of the two shirts by RALPH as revealed by the above merchandise refund ticket and, more specifically, with regard to the date of October 9, 1961, on which it was alleged the shirts were purchased, a search was made of the sales tickets at NM for date of October 9, 1961. This search did not reveal any sale of \$16.95 shirts identifiable with Dr. JAMES RALPH, 5922 Seacliff, McLean, Virginia. The only two sales of such shirts located for that day were made to [redacted] Texas, and recorded on NM sales tickets Nos. 64231-42 and 64231-43.

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Relative to the return of the two \$16.95 shirts by DR. RALPH, as revealed by the above merchandise refund ticket, attention is directed to NM sales tickets Nos. 63194-14 and 63194-16, both dated September 9, 1961, in the amounts of \$166.97 and \$179.92, respectively. Both of these tickets were charged to the account of ESTES at NM and both tickets contain charges for six shirts at \$16.95 each, or a total of \$101.70 on each ticket. It is pointed out that these tickets bear the same date as the two sales tickets covering the two size 41 suits charged to ESTES' account on September 9, 1961, and mailed to ESTES at the Washington Hotel, Washington, D. C., on September 14, 1961.

A review of Recordak film records at NM reveal all payments on the account of ESTES at that store were covered by company checks signed by [redacted] ESTES, which checks were drawn on the First National Bank, Pecos, Texas.

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Records of NM reveal "Sales No." assignments as follows:

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<u>Sales No.</u>	<u>Salesman</u>
108	RAYMOND E. TOWNSEND (Terminated January 8, 1962)
312	EUGENE JOHNSON
367	ROB (BOB) WATSON

The records showed RAYMOND E. TOWNSEND (Social Security No. 432-07-7260) resided at 4718 Reiger, Dallas, Texas, when he was terminated on January 8, 1962.

## FEDERAL BUREAU OF INVESTIGATION

Date 4/20/62

ROB BOYD (BOB) WATSON, salesman, Clothing Department, Neiman-Marcus, residence 7230 West Lake (Davis 8-4405), both Dallas, Texas, was interviewed under oath on April 18 and 19, 1962. On the latter date WATSON executed a sworn signed statement as follows:

"April 19, 1962  
Dallas, Texas

"I, ROB BOYD (BOB) WATSON, being duly sworn hereby make the following free and voluntary statement to GASTON C. THOMPSON and VINCENT E. J. DRAIN, who have identified themselves to me as Special Agents of the Federal Bureau of Investigation, U. S. Department of Justice, after having been told I do not have to make a statement and that any statement I do make may be used later in court. I realize that I would subject myself to possible criminal prosecution if I were to furnish false information in a statement to the above Agents and that, should I desire, I have the right to consult an attorney before making any statement. No threats or promises have been made to me to induce me to make this statement.

"I am 54 years of age, having been born July 22, 1907, Hill County, Texas, and presently reside at 7230 West Lake, Dallas, Texas.

"I am employed as a salesman in the Clothing Department at Neiman-Marcus, Inc., Dallas, Texas, and, in that capacity met BILLIE SOL ESTES during late 1958 or 1959. ESTES was not introduced to me but merely walked into the store to buy some clothing and I happened to be the salesman who waited on him. For a period of time ESTES usually came into the store alone; however, later there were occasions when ESTES brought 'friends' to the store with him. On one or two occasions ESTES may have introduced the person(s) accompanying him to me; however, he usually did not furnish me the names of such individual(s), merely making a statement to the effect 'Here is a

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by Special Agent SAs VINCENT E. DRAIN and  
GASTON C. THOMPSON /rmb

fellow, or some fellows, who want to get some clothes'.

"I recall that ESTES always paid cash for purchases up until about January, 1960, when he opened a charge account. After this time (January, 1960) ESTES would charge purchases on occasions and on other occasions would pay cash for purchases.

"I have had an opportunity to review the records of Neiman-Marcus, and, after refreshing my memory therefrom, recall that about September 8 or 9, 1961, ESTES came to the Clothing Department at Neiman-Marcus accompanied by two other individuals.

"One of the individuals accompanying ESTES was a white male approximately 40 years of age, about 5'10 $\frac{1}{2}$ " in height, 155-170 pounds in weight, with light hair and a medium complexion, which individual was wearing a pair of red suspenders.

"I have been shown a photograph bearing a stamped notation on reverse side of 'United States Department of Agriculture, Office of Information, Washington, D.C., James Ralph, Assistant Secretary for Agricultural Stabilization, January, 1961, (BN-13039X)', and believe the subject of this photograph is identical with the person described and referred to immediately above.

"The other individual who accompanied ESTES on this occasion was a white male approximately 40 years of age, about 5' 11", around 185 pounds with light hair and a 'sandy' complexion. I have been shown a photograph bearing stamped notation on reverse side as follows: 'United States Department of Agriculture, Office of Information, Washington, D. C., William Morris, Agricultural Stabilization and Conservation Service, U. S. Department of Agriculture, November, 1961, (BN-14833)', and I am of the opinion the subject of this photograph is possibly identical with the second individual who accompanied ESTES on this occasion and who is described immediately above.

"I recall that the first individual, believed to be RALPH, tried on and was fitted with two Size 41 Oxford suits by me. It is also my recollection that this individual was fitted with some shoes by [REDACTED] the shoes in question being brought to the Clothing Department on the third floor



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by a salesman from the Shoe Department. I have reviewed reproductions (from film) of Neiman-Marcus sales ticket number 63118-23 dated September 9, 1961, for one Size 41 Oxford suit in amount \$260.00 plus tax, \$5.20, total \$265.20, which sales ticket was prepared by me for charge to the account of BILLIE SOL ESTES, Pecos, Texas. I have also reviewed reproduction of Neiman-Marcus sales ticket number 63118-24 dated September 9, 1961, for one Size 41 Oxford suit in amount \$245.00 plus tax, \$4.90, total \$249.90, which ticket was prepared by me for charge to the account of BILLIE SOL ESTES, Pecos, Texas. To the best of my knowledge, these two tickets were the sales tickets prepared by me covering the two Size 41 suits obtained by the first individual described above, believed to be RALPH.

"I noted upon reviewing the reproductions of the above two tickets that there was no notation on either ticket as to whether the suits were to be picked up or delivered or mailed to a particular address. In this connection, I have reviewed Neiman-Marcus sales ticket number 63118-49 dated September 14, 1961, covering the forwarding of two suits by Air Mail in the amount of \$2.80 to BILLIE SOL ESTES at the Washington Hotel, Washington, D. C. It is my belief and best recollection that this \$2.80 ticket covers the charge of mailing the two suits charged on the Neiman-Marcus tickets number 63118-23 and number 63118-24, referred to above. I do not now recall who told me or gave me instructions to forward these two suits to BILLIE SOL ESTES at the Washington Hotel, Washington, D. C.; however, I am certain the information was not given to me at the time the suits were tried and fitted or I would have made a notation on the sales tickets at the time.

"I have also reviewed original Neiman-Marcus alteration tickets number 30784 and 30785, both dated September 9, 1961, which are the alteration tickets prepared on the two suits charged on sales tickets number 63118-23 and 63118-24. These tickets were prepared by me and bear a notation that the charges were to be made against the account of BILLIE SOL ESTES. I made a notation on these alteration tickets that there was to be 'no name in pocket' to preclude BILLIE SOL ESTES' name being inserted on the inside coat pocket of each of these two suits.

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"I do not recall that the second individual who accompanied ESTES on this occasion, possibly MORRIS, obtained or purchased any merchandise. I remember this individual sat in a chair outside the fitting room, while the other individual was being tried and fitted for the two Size 41 suits. This second individual was engaged in conversation by ESTES a great deal of the time while I was waiting on the first individual, believed to be RALPH.

"On October 25, 1961, ESTES visited me in the Clothing Department of Neiman-Marcus, accompanied by an individual whom I understood to be connected with the U. S. Department of Agriculture in some capacity. This individual was a white male, 55-60 years of age, approximately 5' 11", about 240 pounds in weight, red-headed, streaked heavily with gray, and 'reddish-pinkish' complexion. I have reviewed a photograph bearing stamped notation on reverse side 'United States Department of Agriculture, Office of Information, Washington, D. C., Emery E. Jacobs, Deputy Administrator, State and County Operations, Agricultural Stabilization and Conservation Service, January, 1961, (BN-12959)', and believe the subject of this photograph to be identical with the individual who accompanied ESTES and whom I waited on October 25, 1961.

"I recall this individual tried on and was fitted for two Size 48 Oxford suits, one Size 48 sportcoat and two or more pair of slacks. JACOBS also obtained other merchandise, including shoes, shirts and ties; however, other salesmen prepared the tickets for the shoes, shirts and ties.

"Although other salesmen prepared sales tickets concerning shoes, shirts and ties, I recall that JACOBS paid cash for all the merchandise he purchased. I remember that JACOBS gave me the cash (over \$1,000.00) outside of the fitting room where I was writing up the alteration tickets. I also remember that just prior to JACOBS' coming out of the fitting room and paying me, that BILLIE SOL ESTES went into the fitting room where JACOBS was and the two of them were in the fitting room by themselves for a short period of time. ESTES came out of the fitting room first and a few moments later JACOBS came out of the fitting room and paid me.

"I have reviewed original Neiman-Marcus sales tickets number 65542-21 and number 65542-22, dated October 25, 1961,

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"covering two Size 48 regular Oxford suits in amount \$245.00 each, together with original Neiman-Marcus sales ticket number 65542-23 dated October 25, 1961, in the amount \$325.00, covering one sportcoat, Size 48 regular, and two pair of men's slacks. All of the above tickets were prepared by me and are for clothing purchased by JACOBS on October 25, 1961. All three of these tickets show that the merchandise was to be sent to Mrs. PEGGY CAMPBELL, 4500 Connecticut, Apartment 401, Washington, D. C.

"I have also reviewed original Neiman-Marcus alteration ticket number 31877 and number 31878 relating to some of the clothing purchased by JACOBS. I have noted that I originally placed the name 'JACOBS' on these alteration tickets and later scratched through the name JACOBS and made a notation to send the merchandise to 'PEGGY CAMPBELL', Washington, D. C. I have also examined Neiman-Marcus alteration ticket number 311880 dated October 25, 1961, and recognize the handwritten figures on the back thereof as having been prepared by me in calculating the amounts to be obtained for clothing purchased by JACOBS and ESTES on October 25, 1961. A review of these figures indicated that I obtained in cash the amount of \$1,331.20 from JACOBS. The tax was not collected as the merchandise was being sent out of state. A purchase of one sportcoat in the amount of \$245.00 (Size 40 regular) and one pair of slacks in the amount of \$65.00, on October 25, 1961, was charged to ESTES' account by means of Neiman-Marcus sales ticket number 65542-20.

"To the best of my knowledge I am the only salesman who ever waited on BILLIE SOL ESTES in the Clothing Department of Neiman-Marcus, Dallas, Texas.

"I have read the above statement, consisting of seven typewritten pages, and it is true and correct, to the best of my knowledge & recollection. I have initialed all corrections and signed my name to each page.

"/s/ ROB BOYD WATSON

"Sworn to and subscribed before me on April 19, 1962,  
at Dallas, Texas.

"/s/ GASTON C. THOMPSON Special Agent - F.B.I.  
U. S. Department of Justice Dallas, Texas

"Witness:

"/s/ VINCENT E. J. DRAIN, Special Agent F.B.I.  
Dallas, Tex. 4/19/62".

Following execution of the above signed statement, and further review of Neiman-Marcus alteration ticket number 31880 dated October 25, 1961, and particularly the figures in his handwriting on the back thereof, WATSON recalled that when JACOBS was in the store on October 25, 1961, he inquired if Neiman-Marcus might have any shoes which would fit him. WATSON said he told JACOBS he was sure the store would be able to fit him and asked JACOBS what kind of shoes he was interested in, whereupon JACOBS replied "How about some of those alligators", or words to that effect. WATSON then called the Shoe Department on the first floor, asked for salesman GENE JOHNSON, who usually waited on BILLIE SOL ESTES in the Shoe Department. He learned that JOHNSON was not working on that particular day and requested another salesman, identity not recalled, to bring two pair, one black and one brown, Size 10-D, of \$135.00 men's alligator shoes to the third floor. He said he was under the impression JACOBS was interested in only one pair of shoes; however, he decided to take both pair. WATSON also recalled that he collected the money for the shoes from JACOBS at the time he obtained payment in cash for all merchandise purchased by JACOBS, and later turned the amount of money for the shoes over to the salesman or cashier in the Shoe Department. He said it is his recollection that JACOBS took the two pair of alligator shoes with him when he left the store.

WATSON also recalled that salesman TOWNSEND from the Men's Furnishing Department (first floor), brought some shirts and ties to the Clothing Department (third floor) to show JACOBS, who selected certain merchandise on which TOWNSEND prepared a sales ticket. He advised TOWNSEND gave him the amount of the various articles purchased by JACOBS from the Men's Furnishing Department and that he (WATSON) collected cash from JACOBS for the shirts at the time he obtained payment for all the merchandise purchased by JACOBS and later gave the appropriate amount to TOWNSEND.

WATSON stated it is his best recollection there was some discussion between JACOBS and ESTES as to one of them picking up the suits, sportcoat and slacks following alteration; however, he noted from the sales tickets that this merchandise was sent to "Mrs. PEGGY CAMPBELL, 4500 Connecticut, Apt. 401, Washington, D. C." He stated he does not now recall if JACOBS

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or ESTES told him where to send the suit, sportcoat and slacks before leaving the store, or if possibly salesman TOWNSEND gave him such information. He volunteered he must have been furnished such information prior to preparing sales tickets on the merchandise involved as it is his recollection he did not collect any Texas state sales tax, since the merchandise was being shipped out of state.

WATSON referred to a reproduction of a sheet from his clientele book captioned "ESTES, BILLIE SOL, Box 1051, Pecos, Texas", and, more specifically, to a notation on the reverse side reading, "Mr. JACOBS, 10/25/61; suit \$245.00; suit \$245.00; sportcoat \$195.00; slacks \$65.00; slacks \$65.00".

WATSON advised the above notations on his clientele sheet refer to merchandise obtained by JACOBS and covered by Neiman-Marcus sales tickets number 65542-21, 65542-22, and 65542-23, all dated October 25, 1961, and referred to previously above.

Date 4/20/62

[redacted] Clothing  
Department, Neiman-Marcus, Dallas, Texas, [redacted]  
[redacted] was interviewed under  
oath on April 18 and 19, 1962. On April 19, 1962, [redacted]  
executed a sworn signed statement as follows:

[redacted] "April 19, 1962  
[redacted], Texas [redacted]

"I, [redacted]  
[redacted] being duly sworn hereby make the following  
free and voluntary statement to GASTON C. THOMPSON, who  
has identified himself to me as Special Agent of the  
Federal Bureau of Investigation, U. S. Department of  
Justice, after having been told I do not have to make  
a statement and that any statement I do make may be  
used later in court. I realize that I would subject  
myself to possible criminal prosecution if I were to  
furnish false information in a statement to the above  
Agent and that I have the right to consult an attorney  
before making any statement. No threats or promises  
have been made to me to induce me to make this  
statement.

[redacted]  
[redacted] Texas and presently resides at [redacted]  
[redacted] Texas.

[redacted] Neiman-Marcus  
Company, Inc., Dallas, Texas, since 1954 and for the  
past several years have been a [redacted] Clothing  
Department. As a result of my employment I came to  
know BILLIE SOL ESTES of Pecos, Texas, who was a  
customer of salesman ROB (BOB) WATSON, Neiman-Marcus  
Company, Inc., Dallas. I have never waited on Mr. ESTES  
as a customer but have met him and seen him on a  
number of occasions when he was in the Neiman-Marcus  
store and was waited on by salesman WATSON.

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on 4/18-19/62 at Dallas, TexasDate dictated 4/20/62

SAs VINCENT E. DRAIN and  
by Special Agent GASTON C. THOMPSON /rmb



"In addition to the above, [redacted] Texas, is in the grain business and I am also acquainted with other individuals in the grain business in Lubbock, Amarillo and Bovina, Texas. Some of these grain men, if not all, are or were in competition with BILLIE SOL ESTES in the grain storage business. I have heard ESTES' name mentioned by at least some of these grain men during the course of conversation with them.

"One day during the early Fall of 1961 BOB WATSON remarked to me that BILLIE SOL ESTES had called by telephone, stating he would be in the store later with 'some fellows from the Agriculture Department', or words to that effect. To the best of my recollection there was some kind of a meeting or convention in progress in Dallas at the time which resulted in several, and possibly a number, of individuals from the U. S. Department of Agriculture being in Dallas. It is also my recollection that there had been some 'talk in the paper' to the effect that Secretary of Agriculture FREEMAN might address the convention or meeting in progress, and I got the impression from remarks made by WATSON that possibly Secretary FREEMAN might be one of the individuals which ESTES was bringing to the Neiman-Marcus store. However, later the same afternoon or the next day I was told, possibly by BOB WATSON, that neither of the individuals who visited the Neiman-Marcus store with ESTES on that occasion was Secretary FREEMAN but that one of the individuals was an Assistant Secretary of the U. S. Department of Agriculture, whose name I did not learn or hear. I do not believe that WATSON knew this individual's name.

"I recall that on this occasion (early Fall of 1961) ESTES came to the Clothing Department on the third floor of Neiman-Marcus Company, Inc., Dallas, accompanied by two individuals. One of these individuals was a white male, approximately 38 years of age, about 5'10½" in height, around 168 pounds in weight, with light brown hair, cut short, which individual was wearing bright red suspenders and wore a tie with some distinguishing characteristics, which characteristics I do not now recall.

"The above described individual, who was waited on by WATSON in the presence of ESTES, tried on several Oxford

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"suits, which started at price of \$245.00, and I recall seeing WATSON accompany this individual into the 'fitting room' with two Oxford suits taken from the Size 41 area of the clothing rack where the suits were hanging. This was normal procedure in the purchase of suits and I definitely gained the impression that this individual had decided to take the two suits which WATSON carried into the fitting room.

"It is also my recollection that a salesman from the Shoe Department, possibly GENE JOHNSON, brought some shoes to the Clothing Department on the third floor for the purpose of showing them to the above described individual. I also remember seeing ESTES standing by this individual when he tried on a vicuna topcoat, which he did not take. I did not see WATSON write up the transaction and do not know how the transaction was handled; that is, whether it was cash or charge and, if charged, whose account it was charged to. Further, I do not recall hearing and I do not know if the suits were to be picked up following alterations or if they were to be delivered or mailed to some address.

"I have been shown a photograph bearing the following stamped notation on the back thereof: 'United States Department of Agriculture, Office of Information, Washington, D. C., James Ralph, Assistant Secretary for Agricultural Stabilization, January, 1961, (BN-13039X)'. It is my belief that the subject of this photograph is identical with the above described individual who accompanied ESTES to the Clothing Department of the Neiman-Marcus store in early Fall of 1961 and tried on, and was fitted for the two Size 41 Oxford suits referred to above.

"I also recall that on the above occasion (early Fall of 1961) a third individual was with ESTES and a person believed to be JAMES RALPH, referred to above. As best I remember, this third individual was a white male, approximately 40 years of age, about 5'11" in height, around 185 pounds in weight, with a 'full' face and about a medium complexion. As best I recall, this third individual's hair was at least medium brown in color, possibly a little darker, and may have been slightly wavy or curly. I seem to remember, also, that this third individual's hair was receding slightly at each side of the forehead.



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"I have been shown a photograph bearing the following stamped notation on the back, 'United States Department of Agriculture, Office of Information, Washington, D. C., William Morris, Agricultural Stabilization and Conservation Service, U. S. Department of Agriculture, November, 1961, (BN-148333)', and except for the 'light colored appearance' of the hair, the subject of this photograph closely resembles and has the same facial features as the third individual referred to above.

"I do not recall that this third individual tried or obtained any merchandise from Neiman-Marcus Company, Dallas. I remember this third individual spent most of the time he was in the Neiman-Marcus store sitting in a chair outside the fitting room and a good part of such time was engaged in conversation by BILLIE SOL ESTES. Although I cannot be positive, it is my best recollection that ESTES and these two individuals visited Neiman-Marcus, during the afternoon, possibly around 4:30 P.M. I also recall that one and possibly both of the individuals with ESTES was carrying a brief case, description not recalled.

"Approximately a month to six weeks later, ESTES came to the Clothing Department at Neiman-Marcus with another individual. It is my recollection that there was some kind of 'agriculture meeting' going on in Dallas at the time and I got the impression, exact source not recalled, that this individual was with the U. S. Department of Agriculture, and that his name was either JACOBS or JACOBSEN. This individual was a white male, approximately 55 to 57 years of age, approximately 5'11 $\frac{1}{2}$ ", about 235-240 pounds in weight, red-headed with receding hairline and reddish complexion.

"I have been shown a photograph bearing stamped notation on the back thereof as follows: 'United States Department of Agriculture, Office of Information, Washington, D. C., Emery E. Jacobs, Deputy Administrator, State and County Operations, Agricultural Stabilization and Conservation Service, January, 1961, (BN-12959)'. The subject of this photograph is identical with the person who visited the Neiman-Marcus store with ESTES on the latter occasion and described immediately above.

"I recall that on this latter occasion BOB WATSON waited on this individual, who purchased two Size 48 Oxford suits

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"and possibly other clothing. I remember seeing ESTES, on this occasion, in the area where the sportcoats are maintained; however, I do not specifically recall whether it was ESTES or JACOBS trying on sportcoats.

"I did not see WATSON write up the transaction covering the clothing obtained by JACOBS and I do not know whether it was cash or charge, or who paid for same.

"It is my recollection that ESTES and JACOBS were in the store on this occasion during the morning hours, however, I cannot be absolutely certain about the time they were in the store.

"I have read the above type-written statement, consisting of this and six other pages, and it is true and correct to the best of my knowledge and recollection. I have initialed all corrections and signed each page, including this the seventh and last page.

"/s/ [redacted]

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"Sworn to and subscribed before me on April 19, 1962, at Dallas, Texas,

"/s/ GASTON C. THOMPSON Special Agent, F.B.I.  
U. S. Department of Justice Dallas, Texas

"Witness:

"/s/ VINCENT E. J. DRAIN Special Agent F.B.I.  
Dallas, Texas, 4-19-62".

Upon being questioned as to other Neiman-Marcus personnel, other than salesman BOB WATSON, who might recall seeing RALPH, MORRIS or JACOBS in Neiman-Marcus with BILLIE SOL ESTES on either of the above occasions, he replied that [redacted] in the Clothing Department, made a remark to the effect that it would be good publicity if the store had a photograph of the merchandise (suits and shoes) and RALPH at the time he was being fitted by salesman WATSON. He said there might possibly be other salesmen in the Clothing Department who noticed RALPH, MORRIS and JACOBS at the store with ESTES on the occasions described in the above signed statement; however, he could not furnish any names in addition to that of [redacted]

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[redacted]  
[redacted] Community Grain Company, Hereford, Texas, who is in the grain storage business and in competition with BILLIE SOL ESTES. He stated his brother had told him that he was in Neiman-Marcus sometime during the summer or early fall of 1961 with his attorney, WAYNE (last name unknown), also from Hereford, Texas, together with a third individual, identity unknown to [redacted] at the same time when BILLIE SOL ESTES was in Neiman-Marcus, on which occasion ESTES was buying a suit or suits for some other men, identity unknown, and on which occasion ESTES remarked to [redacted] and his attorney that he (ESTES) "would freeze all of them out", meaning he would freeze all of his competitors out of the grain storage business. [redacted] stated the above incident occurred sometime previous to the visits of RALPH and JACOBS to Neiman-Marcus with ESTES in September and October, 1961, respectively.

[redacted] advised that as a result of having a brother in the grain storage business, he has become acquainted with other individuals from West Texas in that business; namely, [redacted] Texas, [redacted] Texas, [redacted] Texas, and [redacted] Texas, some of which are [redacted] at Neiman-Marcus, Dallas.

[redacted] recalled that sometime following the visit to Neiman-Marcus of JACOBS in October, 1961, [redacted] was in the store talking to him [redacted] and he told [redacted] about the two occasions discussed in the above signed statement when ESTES visited the store with individuals believed to be employed by the U. S. Department of Agriculture, which individuals had obtained clothing at the time of the visits in question. He also remembered that he told [redacted] about the individual believed by him to be RALPH trying on a vicuna topcoat. He said he also remembered that during his discussion of this matter with [redacted] jotted down some figures on a piece of scratch paper in estimating to [redacted] the approximate amount of clothes obtained by the individuals referred to above.

[redacted] stated he had also discussed the incidents described in the above signed statement with [redacted]. He said [redacted] had surmised from the circumstances involved that BILLIE SOL ESTES was possibly paying for the clothing and other merchandise obtained by the individuals believed to be RALPH and JACOBS, who were officials with the

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U. S. Department of Agriculture, Washington, D. C.

Photographs of GEORGE W. JACOBS and ESTON EMMETT DENNARD, both marketing specialists, Agricultural Stabilization and Conservation Service, U. S. Department of Agriculture, Dallas, were exhibited to [REDACTED] however, he advised the subjects of these photographs were unknown to him and he did not recall having seen these individuals in the Neiman-Marcus store.

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On April 19, 1962, [redacted]  
[redacted] Clothing Department, Neiman-Marcus, [redacted]  
[redacted] Texas, was interviewed under oath by SAs  
VINCENT E. DRAIN and GASTON C. THOMPSON and furnished a sworn  
signed statement as follows:

"4-19-62  
Dallas, Tex.

"I [redacted] being duly sworn do hereby  
make the following free and voluntary statement to  
Vincent E. J. Drain and Gaston C. Thompson who have  
identified themselves to me as special agents of  
the Federal Bureau of Investigation, after having  
been told that I do not have to make a statement and  
that any statement I may make may be used in a court  
of law as evidence at a later date. I realize that  
I would subject my self to prosecution if I were to  
furnish false information. I have been advised that  
I have the right to counsel and no threats or  
promises have been made to me in order that I make  
this statement.

[redacted] Ohio. My  
height is five feet nine and one half inches, weight  
one hundred and eighty five pounds, blue eyes, brown  
hair, [redacted] Tex.

[redacted] men's clothing at Neiman  
Marcus Co., Dallas, Tex.

"In the early fall of 1961 I do not remember the  
exact date some one told me that a high official of  
U. S. Agriculture dept. was in the clothing dept. of  
Neiman Marcus with salesman Bob Watson and Billie  
Sol Estes. I went to the clothing dept. I observed  
Billie Sol Estes and a man about forty years of age,  
cropped hair, color brown, slender build. He was  
trying on oxford suits size 41. I know this because  
I assisted in hanging some of these suits back on the  
rack after he had tried them on. I latter saw this  
man on a T.V. news cast and the T.V. announcer  
identified him as a high official of the U. S.  
Agriculture Dept.

"I have observed the photograph of Mr. James Ralph  
which has printed on the back 'U.S. Dept. of

"Agriculture Office of Information, Washington, D.C., Jan. 1961. James Ralph, Assistant Secretary of Agriculture Stabilization B.N. 13039X, credit U.S.D.A. photo.' I can state positively that this was the man in the company of Billie Sol Estes in the fitting room of Neinan Marcus Clothing dept. trying on size 41 oxford suits. I know that Ralph purchased some suits, but do not know in what amount.

"I made the remark at the time to [redacted], [redacted] that 'If you had a picture of these two men you could sell it to Life Magazine,' meaning Estes and the man I now know to be Ralph Assistant Secretary of U. S. Agriculture Dept.

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"My own thoughts were that it did not appear ethical that James Ralph would permit Estes to purchase expensive clothing for him as I was under the impression that this was what was happening. During the time Estes and Ralph were in the clothing dept. Ralph looked at a vicuna top coat. I thought of the Goldfine case as I observed Ralph trying to make up his mind as to whether he wanted the vicuna coat. I knew that Estes was a wealthy man and that is what made me arrive at the above conclusions.

"I have read this statement consisting of five pages, including this page and it is true and correct to the best of my knowledge.

"/s/ [redacted]

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"Sworn to and subscribed before me on April 19, 1962

"/s/ VINCENT E. J. DRAIN, Special Agent F.B.I.

"Witness:

"/s/ GASTON C. THOMPSON, Special Agent, F.B.I., Dallas, Texas (4/19/62)".

## FEDERAL BUREAU OF INVESTIGATION

Date 4/20/62

EUGENE D. JOHNSON, salesman, Shoe Department, Neiman-Marcus, residence 8747 Reva Street, both Dallas, Texas, was interviewed under oath and furnished the following sworn signed statement:

"April 19, 1962  
Dallas, Texas

"I, EUGENE D. JOHNSON, being duly sworn hereby make the following free and voluntary statement to VINCENT E. J. DRAIN AND GASTON C. THOMPSON who have identified themselves to me as Special Agents of the Federal Bureau of Investigation, U. S. Department of Justice, after having been told I do not have to make a statement and that any statement I do make may be used later in court. I realize that I would subject myself to possible criminal prosecution if I were to furnish false information in a statement to the above Agents and that, should I desire, I have the right to consult an attorney before making any statement.

"I was born April 22, 1925, at Dallas, Texas. I am five feet, ten inches tall. I weigh 165 pounds, have brown hair, brown eyes and medium complexion. My home address is 8747 Reva Street, Dallas 27, Texas. I have been employed by the Neiman-Marcus Store, Dallas, Texas, for the past 10 years, and presently have sales number 312. My present occupation is a salesman in the mens' shoe department.

"Around 4 or 4:30 p.m. on September 8, 1961, I received a call from BOB WATSON, a Neiman-Marcus clothing salesman, number 367, who works on the third floor of Neiman-Marcus. Mr. WATSON requested that I bring some size 9-B shoes to the clothing department on the third floor for a customer and specified that I bring along some alligator shoes. When I arrived on the third floor in the clothing department with these shoes, I observed one BILLIE SOL ESTES with two unidentified individuals. One of these individuals I was told by MR. WATSON,

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on 4/19/62 at Dallas, Texas Date dictated 4/20/62  
by Special Agent SAs VINCENT E. DRAIN and  
GASTON C. THOMPSON /rmb  
STA



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"wanted to try on some shoes. This individual stated that he was a conservative individual and would prefer to have calf-skin shoes rather than to have the alligator shoes. I returned to the first floor shoe department and brought back to the third floor clothing department a pair of brown and a pair of black calf-skin shoes which I fitted to this individual. He specified that he liked these shoes and would take them.

"I have observed photographs of one JAMES RALPH, Assistant Secretary for Agriculture Stabilization which has imprinted on the back of this photograph, United States Department of Agriculture, Office of Information, Washington, D.C., January, 1961, JAMES RALPH, Assistant Secretary for Agriculture Stabilization, BN-13039X, credit USDA Photo. I have identified this individual as being the one whom I fitted with the black and brown pair of calf-skin shoes, size 9-B. I returned there-after to the shoe department on the first floor. I held these shoes and to the best of my knowledge, a short time after I returned to the shoe department, BILLIE SOL ESTES came to that department and told me that these shoes, size 9-B, in one pair of brown and one pair of black should be charged to his account in the name of MR. BILLIE SOL ESTES, Box 1052, Pecos, Texas. These shoes were to be delivered to the room of BILLIE SOL ESTES, 2912 Sheraton Hotel. The sales slip which reflects the sale of these shoes and my handwriting, was Neiman-Marcus sales slip number 63180-21. The cost of these shoes as reflected on this sales slip was \$36.95 per pair. The cost of the two pair totaled \$73.90 plus \$1.48 tax, making a grand total of \$75.38. MR. ESTES purchased three pair of shoes for himself on this date of September 8, 1961, in size 10½-D which cost for the three pair of shoes was \$211.65, which were made out on Neiman-Marcus sales slip number 63180-18. These shoes were charged to MR. BILLIE SOL ESTES, Box 1052, Pecos, Texas, and MR. ESTES took these shoes with him. I would describe the man I have identified in the photograph of JAMES RALPH as being approximately 36 years of age, weight 150 to 160 pounds, light brown hair, slender build, height, five feet, nine inches.

✓ "The third individual, who accompanied MR. BILLIE SOL ESTES and the person I have identified as JAMES RALPH to the Neiman-Marcus store on September 8, 1961, is described as



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"approximately five feet, ten inches in height, 37 - 40 years of age, weight, 185 pounds, fair complexion, stocky build. This individual I did not see make any purchases and he appeared to be waiting on the other individuals. I did not observe him too closely. I have observed a photograph of MR. WILLIAM MORRIS which photograph has stamped on the back, United States Department of Agriculture, Office of Information, Washington, D.C., November, 1961, WILLIAM MORRIS, Agriculture Stabilization and Conservation Service, USDA, BN-14833, credit USDA photo. The photograph of this individual WILLIAM MORRIS appears similar to the person that was in the company of BILLIE SOL ESTES and JAMES RALPH on September 8, 1961, at the time I fitted the size 9-B shoes to MR. RALPH. However, I can not positively say whether the individual with MR. RALPH and MR. ESTES was identical with the photograph that I have been exhibited of MR. MORRIS. No threats or promises have been made to me in order that I make this statement.

"I have read this Statement consisting of this page and three other pages and it is true & correct.

"/s/ EUGENE D. JOHNSON, JR.

"Sworn to and subscribed before me on April 19, 1962,  
at Dallas, Texas

"/s/ VINCENT E. J. DRAIN Special Agent F.B.I.  
Dallas, Tex.

"Witness:

"/s/ GASTON C. THOMPSON, Special Agent, F.B.I.,  
Dallas, Texas (4-19-62)".

There was exhibited to JOHNSON a reproduction of Neiman-Marcus cash sales ticket 65890-1 dated October 25, 1961, for two pair of shoes (400-10D, 405-10D) in amount \$135.00, each, plus tax of \$5.40, for a total of \$275.40. JOHNSON noted this particular sales ticket bore his sales number "312" and the stamped notation "Thank You Gene Johnson". He advised, however, this sales ticket was prepared by salesman LEVY CLARK and was in CLARK's handwriting. He stated he (JOHNSON) was not on duty at work on October 25, 1961. JOHNSON explained that it is customary for each salesman to receive credit for his regular customers, and since BILLIE SOL ESTES was one of his

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(JOHNSON's) customers, CLARK had prepared the ticket on his  
(JOHNSON's) sales book and had given him (JOHNSON) credit for  
the sale as a matter of courtesy.

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On April 19, 1962, LEVY (no middle initial) CLARK, salesman, Shoe Department, Neiman-Marcus, residence 8760 Odom (EXpress 1-5739), both Dallas, Texas, who has been employed by Neiman-Marcus since 1943 and as a salesman in the Shoe Department since 1955, was interviewed under oath by SAs GASTON C. THOMPSON and VINCENT E. DRAIN, and furnished the following sworn signed statement:

"Dallas, Texas  
April 19, 1962

"I, Levy Clark, being duly sworn, hereby make the following free and voluntary statement to Gaston C. Thompson, who has identified himself to me as Special Agent of the Federal Bureau of Investigation, U. S. Department of Justice, after having been told I do not have to make a statement and that any statement I do make can be used later in a court of law. No threats or promises have been made to me to induce me to make this statement and I realize if I should submit false information, I would be subject to prosecution. I have also been advised I have the right to counsel before making any statement.

"I am 37 years of age, having been born 3/18/25, Athens, Texas. I presently reside at 8760 Odom, Dallas.

"I have been employed by Neiman-Marcus, Dallas, Texas, since 1943 and as a salesman in the Shoe Department since 1955.

"I have reviewed a reproduction of Neiman-Marcus sales ticket #65890-1, dated 10/25/61 for two pair of alligator (men's) shoes at \$135.00 each, plus tax, for a total of \$275.40. Although this ticket bears the stamped notation, 'Thank You, Gene Johnson' and bears 'Sales No. 312' which is assigned to Salesman Gene Johnson, this ticket was prepared by me as a result of circumstances related hereinafter.

"Salesman Bob Watson called me by telephone from the Clothing Department, stating he was waiting on Billie Sol Estes and that he wanted me to bring two pair of men's alligator shoes, size 10 D, to the Clothing Department.

"I obtained two pair of men's alligator shoes, one

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"pair black in color and the other brown. I also checked the records in the Shoe Department and ascertained Billie Sol Estes was a customer of Gene Johnson. For that reason I took Gene Johnson's sales-book with me when I carried the shoes to the Clothing Department, so that I could prepare the ticket from his sales book and he would get credit for the sale.

"I left the two pair of shoes and the sales ticket with either Bob Watson or the cashier on duty in the Clothing Department. The ticket is made out as a cash sale and although I do not now specifically recall Watson telling me it was to be 'cash', I feel sure Watson gave me this information. I did not collect the money for the shoes and left this detail to Watson or the cashier in the Clothing Department.

"At the time I took the shoes to the Clothing Department I do not recall seeing or having any person identified to me as the person who was making the purchase.

"I am not acquainted with Billie Sol Estes and do not know if I would recognize him 'on sight', even after all the recent publicity about him.

"I do not possess any information which of my own knowledge would indicate Estes ever made any gifts or gratuities to employees of the U. S. Department of Agriculture, or any other Government employee.

"I have read the above 3½ pages hand written statement and it is true and correct to the best of my memory and knowledge. I have signed my name at the bottom of each page, including this the fourth & last page. I have initialed all correction\_

"/s/ LEVY CLARK

"Sworn to and subscribed before me on April 19, 1962, at Dallas, Texas

"/s/ GASTON C. THOMPSON, Special Agent, FBI, Dallas, Texas

"Witness:

"/s/ VINCENT E. J. DRAIN, Special Agent F.B.I. Dallas Tex. (4-19-62)"

On April 19, 1962, GEORGE THOMAS HALLIBURTON, salesman, Clothing Department, Neiman-Marcus, residence 11831 Donore Lane, both Dallas, Texas, was interviewed under oath by SAs VINCENT E. DRAIN and GASTON C. THOMPSON and furnished sworn signed statement as follows:

"Dallas, Texas  
4-19-62

"I, George Thomas Halliburton being duly sworn make the following free and voluntary statement to Vincent E. J. Drain, who has identified himself to me as Special Agent of the Federal Bureau of Investigation, after having been told that I do not have to make a statement and that any statement that I do make may be used in a court of law as evidence at a later date. No threats or promises have been made to me to induce me to make this statement and I realize that if I furnish false information knowing same to be false, I would be subject to prosecution. I have been advised that I have the right to consult counsel before making any statement.

"I was born Jan. 21, 1913, Hope Ark. I am five ft. seven inches and three quarters in height. I weigh one hundred and sixty pounds. I have brown hair and blue eyes, medium complexion and build. I reside at 11831 Donore Lane Dallas, Tex. I have been employed by Neiman-Marcus Co., Dallas, Tex. seven and one half years.

"I have never been introduced to Billie Sol Estes, but do know him on sight. I know him as a customer of Mr. Bob Watson, a clothing salesman, for Neiman Marcus. I have observed Mr. Estes in the clothing department with Mr. Watson on six or eight different occasions. To my knowledge I have not observed any employees of the Dept. of Agriculture of the United States Government, in the company of Mr. Estes.

"I have observed photographs of Mr. James Ralph, Mr. Emery Jacobs and Mr. William Morris and do not recognize any of these individuals as ever having been in the Neiman Marcus store.

"I do recall several months ago a man came in the clothing department of Neiman Marcus and I observed

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"him in the fitting room. He was wearing bright red suspenders. At the same time Mr. Billie Sol Estes was in the fitting room. This man was about the same size as Mr. Estes. I do not know if this man was in the company of Mr. Estes.

"I have read this statement consisting of 3 pages, and it is true and correct\_

"/s/ TOM HALLIBURTON

"Sworn to and subscribed before me on April 19, 1962 at Dallas, Texas.

"/s/ VINCENT E. J. DRAIN Special Agent F.B.I.  
Dallas\_ Tex\_

"Witness:

"/s/ GASTON C. THOMPSON, Special Agent, FBI, Dallas  
4-19-62".

FEDERAL BUREAU OF INVESTIGATION  
INTERVIEW REPORTDate 4/20/62

[redacted] Men's Shirt Shop, Neiman Marcus Company, Dallas, Texas was interviewed on April 20, 1962. [redacted] stated that he would be happy to cooperate but that he desired to give an oral and voluntary statement rather than to be placed under oath, however, he had no objection to making an oral statement. He was advised that he did not have to make a statement and it would have to be voluntary. No threats or promises were made to him in order to make a statement and he was advised he had the right of counsel, that any statement he might make could be used at a later date in court.

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[redacted] stated that he was not acquainted with Mr. BILLIE SOL ESTES, Dr. JAMES RALPH, Mr. WILLIAM MORRIS or Mr. EMERY JACOBS.

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[redacted] identified Neiman Marcus merchandise refund 1416-28, dated October 24, 1961, made out to Dr. JAMES RALPH, of 5922 Seacliff, McLean, Virginia, which was refund for two shirts on October 24, 1961, at \$16.95 per shirt, making a total of \$33.90, plus \$.68 state tax, making a grand total of \$34.58. He stated this was credited on five shirts which were purchased by one Dr. JAMES RALPH on Neiman Marcus sales slip No. 65869-4, at \$6.95 per shirt, making a total of \$34.75, plus \$.70 state tax, making a total of \$35.45. This refund slip No. 1416-28, dated October 24, 1961, and purchase of five shirts under sales slip 65869-4 were in [redacted] handwriting, according to him. The merchandise refund sales slip No. 1416-28, according to [redacted] reflected that the date of purchase was October 9, 1961, however, this could be a date given by the person changing the goods and would not necessarily reflect the correct date.

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He stated that is all he could furnish concerning this matter.

Interview with [redacted] File # DL 58-188  
EP 29-351  
on 4/20/62 at Dallas, Texas Date dictated 4/20/62  
by Special Agent VINCENT E. DRAIN /ieg  
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## FEDERAL BUREAU OF INVESTIGATION

Date 4/20/62

On the evening of April 19, 1962, Mr. WILL R. WILSON, Attorney General of the State of Texas, was contacted by Special Agent VINCENT E. J. DRAIN. Mr. WILSON stated he had no further information concerning the association of JAMES RALPH, EMERY JACOBS, or WILLIAM MORRIS and their association with BILLIE SOL ESTES that had not heretofore been brought out in the Court of Inquiry. Mr. WILSON stated that he was referring to the purchases of clothing at Neiman-Marcus allegedly by BILLIE SOL ESTES for these individuals.

Mr. WILSON stated that shortly after the arrest of BILLIE SOL ESTES at Pecos, Texas recently by the Federal authorities, the Commercial Solvents Co. investigators went to ESTES' office in Pecos, Texas, and "cleaned out" his desk of papers and other documents, description of such documents unknown to WILSON. WILSON stated he suspected that the Commercial Solvents Co. investigators were looking for information which pertained to the manipulations of ESTES' various cotton allotments and grain deals. WILSON stated his investigators arrived shortly after the Commercial Solvents investigators had left ESTES' office. He stated his information was to the effect that Commercial Solvents investigators did not have any authority to search ESTES' office and did not have any permission from ESTES or any of his family or other persons in a position to authorize such search of ESTES' office.

WILSON stated that any information which might develop during the course of his inquiries that would be helpful to the FBI or other investigating agencies would be made available. WILSON stated that transcripts were being made of the entire hearing at all Courts of Inquiry he held and suggested that these might be reviewed for any data which would be of assistance to this Bureau, of which he would not personally recall from memory. WILSON stated he had gone into so many different angles that he would not be able to recall specific things unless he referred to transcripts of the hearings which he had held during the past several days.

DL 58-188  
File # EP 29-351

on 4/19/62 at Dallas, Texas Date dictated 4/20/62

by Special Agent VINCENT E. J. DRAIN/tjh



DL 58-188

On April 18, 1962 [redacted]  
Crestwood Apartments, 1080 Magellan Circle, Dallas. telephone  
DA 8-1362 advised SAs MANNING C. CLEMENTS and [redacted]  
[redacted] that [redacted] had signed [redacted]  
January 25, 1962 for the apartment known as [redacted]

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as Baylor University Medical Center, Dallas, and showing  
that an additional [redacted] Subsequently  
recorded in her file was the telephone DA 193884 which had  
been installed in the apartment. She said the apartment was  
not actually occupied until March 11, 1962.

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On April 18, 1962 [redacted]  
[redacted] Baylor University Medical Center, Gaston Avenue,  
advised SAs CLEMENTS and [redacted] she had formerly resided  
[redacted]  
who had occupied an apartment next door since January 1962.  
She said she has been advised by [redacted] that she has  
[redacted]

[redacted] whom she understood was or is an employee of BILLIE  
SOL ESTES in Pecos, Texas and that [redacted]  
for ESTES at Pecos. She said newspaper publicity concerning  
ESTES' involvement has been of interest to [redacted] and  
that she understands [redacted] has been interviewed by the  
"DA's Office". She said [redacted] has no children, is not  
to her knowledge expecting any children and would in her  
opinion be cooperative in interview. She said she knew  
of no contacts of ESTES with [redacted] since she has been  
acquainted with her.

## FEDERAL BUREAU OF INVESTIGATION

INVESTIGATION

Date 4/19/62b6  
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[redacted] advised she [redacted]  
[redacted] telephone DA 4-4864 and has been [redacted]  
[redacted] TOBOLOWSKY, HARTT,  
[redacted] SCHLINGER and BLALOCK, 3126 Southland Center, Dallas  
[redacted]  
[redacted] Texas,  
[redacted]  
deceased. She stated [redacted]  
[redacted] Texas and can be reached through  
[redacted] who is listed in the Midland telephone directory.

[redacted] stated she married [redacted] some ten years  
ago, [redacted] Texas from January 1958  
until November 1961 when she moved to [redacted]  
[redacted] where she was [redacted]  
[redacted] Petroleum Life Building. She said she instituted  
[redacted] Texas against [redacted] in the  
fall of 1961 and moved from Pecos in order to get away from  
[redacted]

[redacted] involvement with BILLIE SOL ESTES in this connection. She  
said a [redacted]  
but she has not as yet received a copy of the decree.

[redacted] stated she was [redacted] Texas  
by [redacted] BILLIE SOL ESTES, for a time  
and from [redacted]  
ESTES Enterprises, Pecos. She said she [redacted]  
[redacted] BILLIE SOL ESTES for a time and later  
directly under BILLIE SOL ESTES. She stated she is aware  
of ESTES' wide-spread activities in grain, cotton growing,  
the selling of fertilizer and fertilizer tanks and many other  
enterprises but that in connection with her employment she  
understood little of his financial and business set-up.  
She said she understood prior to her employment ESTES had  
traveled considerably but that he was in Pecos most of the  
time while she was employed. Shortly after she was employed  
she entered Baylor Hospital, Dallas, for removal of a tumor  
on her neck. During her confinement she received gifts from

Interview with [redacted] File # DL 58-188  
EP 29-351  
on 4/18/62 at Dallas, Texas Date dictated 4/19/62  
by Special Agents MANNING C. CLEMENTS & [redacted]/sah

ESTES of a robe and a bedjacket. Also [redacted]  
ESTES [redacted] Colonial Funeral  
Home, Pecos [redacted]  
She said it was ESTES' common practice to give [redacted]  
gifts principally clothing [redacted]  
[redacted] ESTES as [redacted]  
for Farmas Company had likewise received gifts of clothing  
from ESTES. [redacted]

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[redacted] ESTES' business activities,

[redacted] stated she has had no romantic involvement  
with BILLIE SOL ESTES whatsoever and that she is not pregnant  
by him or any other person. She said after she moved to  
Midland, ESTES on two occasions when passing through called  
on her in an attempt to induce her to return to Pecos and  
be reconciled with her husband. She said she has on three  
occasions since leaving Pecos returned to that city for  
directors' meetings of Colonial Funeral Home, her expenses  
being furnished for such trips by [redacted] ESTES [redacted]  
She said she has had no contact with ESTES during such trips,  
that he has not contacted her in Dallas, has not paid or  
offered to pay any sum of money or other inducement for her  
not to talk to law enforcement authorities.

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[redacted] said she has heard the name Dr. RALPH,  
a Department of Agriculture official but does not recall the  
connection with which she heard his name, that she has never  
met him. She said she has met WILLIAM E. MORRIS, USDA  
official from Washington, she believed for the first time  
in about September 1961 at a "cotton festival" in El Paso  
where he may have made a speech. She said it was probable  
ESTES introduced her to MORRIS. She said she saw MORRIS  
on one other occasion at a Democratic dinner in Washington,  
D.C. where she had gone with ESTES and his family. She  
said she had never seen MORRIS in Pecos to the best of her  
recollection. She said she has heard the name EMERY E. JACOBS  
but did not recall in what connection. She has not met him.  
She said she does not know the name [redacted] and has  
not met him. She said she has no knowledge of any gifts  
ESTES has made to employees of USDA or any other Government  
agency except that he has sent cantaloupes to "practically  
everybody in Washington". She said ESTES had received "thank

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DL 58-188

you notes" from various Government officials to the effect "the staff and their offices had enjoyed them." She said she likewise has no knowledge of the gift or loan of ESTES' facilities to USDA officials and employees of any other Government agency, that she knows of no financial interest of any Government employee in ESTES' enterprises, of no financial interest ESTES has in any private business of Government employees, of no financial assistance rendered by ESTES to Government employees or vice versa..

[redacted] identified CLAUDE DAVIS, [redacted]  
[redacted] Texas as being in the grain elevator business but claims she does not know of their financial connection with ESTES, if any.

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[redacted] stated she had a account at the Security State Bank while in Pecos and currently has an account at Lakewood State Bank Dallas. She said she has previously been questioned by [redacted] WILL WILSON's staff. She said she would be glad to answer any questions to the best of her ability,

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On March 29, 1962, BILLIE SOL ESTES furnished the following biographical and descriptive data to SA WILLIAM B. ANDERS and ROY C. DAHL, at Pecos, Texas:

MR. ESTES said he was born January 10, 1925, Gray County, Texas. He is 5' 10 $\frac{1}{2}$ " tall, weighs 200 pounds, black hair, blue eyes, wears horn-rimmed glasses. MR. ESTES said he served in the U.S. Merchant Marine, 1944- 1945. He has a high school education, graduating from Clyde, Texas, High School, 1943. His father is JOHN L. ESTES, Sr. mother LILLIAN ESTES, residence - Clyde, Texas.

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He is married, wife - PATSY

The Washington Field Office has furnished the following summary obtained from files of the U.S. Department of Agriculture, Washington.

DR. JAMES T. RALPH, born April 28, 1926, Goodlettsville, Tennessee, age 35, race white, sex male, height 5' 8" to 9", weight 145 to 150, hair brown, with gray spot in front, crew cut, build medium, complexion ruddy, place not known.

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Virginia. Army Serial Number 44020451 and 0-1899406, served September 14, 1944 to August 10, 1948, received honorable discharge, reserve status, major, National Guard; education, Bachelors Degree in agriculture, Middle Tennessee State College, Bachelor of Medicine Degree in agriculture in economics and statistics, Iowa State College, Doctors Degree in Economics Food Research, Institute of Stanford University.

EMERY E. JACOBS, also known as Red, Jake, born January 10, 1907, Prior, Oklahoma, age 55, race white, sex male, height 5' 11", weight 215, hair gray - red, eyes blue, Army Serial Number 33643707, period July 29, 1943 to December 17, 1943, Navy Serial Number 382333, Lieutenant,

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second grade, period June 14, 1944 to February 8, 1946,  
address 1309 North Pierce, Arlington, Virginia, and  
1905 Northwest Thirtyfirst Street, Oklahoma City, Oklahoma,  
wife - MARY E. HOUSTON JACOBS, born December 21, 1906,  
Stillwater, Oklahoma.

WILLIAM E. MORRIS, born October 4, 1915, Epsie,  
Montana, under name of WILLIAM EDGAR MORRIS, however,  
personnel file reveals he claims he has used name WILLIAM  
EUGENE MORRIS all his life; age 46, race white, sex male,  
height 5' 9" to 10", weight 190, build stocky, hair brown,  
wavy, turning gray, complexion florid, address 3806 Basil  
Road, Mc Lean, Virginia, military service, February 14,  
1943 to June 11, 1943, Honorably discharged, service not  
indicated, education - Tulsa Business School, Tulsa, Oklahoma,  
1934 to 1936, Columbus University Law School, Washington,  
D.C., 1937 to 1941.

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UNITED STATES GOVERNMENT

## Memorandum

TO : Mr. Belmont *ABW*

DATE: April 26, 1962

FROM : A. Rosen

SUBJECT: <sup>①</sup> BILLIE SOL ESTES  
INTERSTATE TRANSPORTATION  
OF STOLEN PROPERTY - BRIBERY

Tolson	_____
Belmont	_____
Mohr	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Malone	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

This is to advise of the status of the investigation of this case.

The initial phase of the investigation involved a multimillion dollar swindle based on the mortgaging of nonexistent fertilizer tanks. This phase of the investigation has resulted in the arrest and indictment of Estes and three of his associates. Investigation is continuing into this phase of the investigation.

During the course of our investigation, certain allegations were received that officials of the United States Department of Agriculture (USDA) had received gifts and gratuities from Estes in order to show preferential treatment. We, therefore, conducted extensive investigation into these allegations and information was developed that Emery E. Jacobs, Deputy Administrator, USDA; Dr. James T. Ralph, former Assistant Secretary, USDA; and William E. Morris, an Assistant to Ralph, had received gifts from Estes.

*All Wash. D.C.*

Our investigation has shown Jacobs did purchase suits, slacks and other clothing from Neiman-Marcus Store in Dallas and Estes assisted in the selection of this clothing. Some of the clothing was mailed to the apartment of Jacobs' secretary, Margaret Campbell, Washington, D. C. Jacobs has stated he paid the bill for the above clothing with his own funds. He admitted Estes paid the bill for his hotel room while in Dallas and that he has accepted transportation in Estes' airplane. Jacobs denied showing any preferential treatment to Estes. Jacobs has resigned his position with USDA to "clear his name," but to date has taken no such action.

Records of the Neiman-Marcus Store indicate Ralph was fitted for two size 41 suits. The suits were mailed to Estes in Washington, D. C., and charged to Estes' account.

1 - Mr. DeLoach  
1 - Mr. Evans  
GEB:kak:ige  
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62 MAY 3 1962

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Memorandum to Mr. Belmont  
Re: BILLIE SOL ESTES

Ralph on interview denied receiving any gifts more important than a dinner, pecans, and cigars in quantities of less than one box. While he originally agreed to make himself available to sign the statement reducing the interview to writing, it was not until late in the afternoon of April 25, 1962, that he indicated he would do so. Ralph will be afforded an opportunity to sign such a statement today and furnish additional information.

Morris admitted to USDA he received a Texas hat from Estes, but denied showing preferential treatment to Estes. [redacted] he has refused to be interviewed by our Agents to date. USDA is considering administrative action against Morris for refusing to cooperate in this investigation. *D.C.*

[redacted] our original source of information, *2 Minn.* advised he had been informed that Secretary of Agriculture Orville L. Freeman had received a Vicuna suit and two pairs of alligator shoes from Estes, and that Vice President Lyndon Johnson had received an airplane from Estes.

*Texas D.C.*  
Secretary Freeman was advised of this allegation and stated it was "a goddam lie." The allegation concerning Vice President Johnson was brought to his attention through his Administrative Assistant Walter Jenkins. Through Mr. Jenkins the Vice President denied he had ever had any dealings whatsoever with Estes and furnished us the source of his airplane. [redacted] was recontacted and advised his source of information could be mistaken regarding these instances. *All Wash D.C.*

In view of the denials by Secretary Freeman and Vice President Johnson, the Department was advised that no further inquiries were being made concerning these allegations unless contrary instructions were received. No such instructions have to date been received.

Our Dallas Office on April 25, 1962, advised they had received information from the Dallas Office of the General Accounting Office (GAO) that the McClellan Committee and/or intergovernmental subcommittee of House Government Operation Committee may send men to Dallas in connection with all phases of the Estes operations, and that GAO personnel may be asked for assistance to such committees.

The Dallas Office has been advised to continue to expedite all investigation and, if any inquiry is received from representatives of the above committees concerning information developed by the Bureau, they should be referred to the Department of Justice.



Memorandum to Mr. Belmont  
RE: BILLIE SOL ESTES

WFO advised that on 4/25 N. Battle Hales, Staff Assistant, Office of the Deputy Administrator, State and County Operations, Agricultural Stabilization and Conservation Service (ASCS), U. S. Department of Agriculture (USDA), telephonically advised he was ready to read the statement prepared as a result of the interview with him on 4/19/62. He also stated that he has additional information to incorporate in the statement. Arrangements were made to reinterview Hales on 4/26. *Wash D.C.*

Hales advised that his [redacted] who has not been implicated in this case, [redacted]

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[redacted] *Wash D.C.*  
The Department of Justice has been furnished copies of our reports and is currently advised of all developments.

Mr. Herbert J. Miller, Jr.  
Assistant Attorney General

April 27, 1962

Director, FBI

**BILLIE SOL ESTES  
INTERSTATE TRANSPORTATION  
OF STOLEN PROPERTY - BRIBERY**

This is to confirm the conversation of April 26, 1962, between Special Agent Thomas W. Curran of this Bureau and Mr. Rufus McLean of the Department.

The discussion had to do with the procedure to be followed in connection with material being sent to the Department by the U. S. Department of Agriculture. It was noted that the General Counsel of the Department of Agriculture has previously been advised by the Department that Section 311a of Title 5, U. S. Code, supplemented by two memoranda from the Attorney General, requires alleged violations of the Federal criminal law by Government officials be submitted to the Department of Justice for investigation and appropriate action.

Mr. McLean advised that the material being received from the Department of Agriculture will be reviewed within the Department of Justice. Thereafter, if investigation is warranted, an appropriate request will be forwarded to the Bureau requesting the necessary investigation.

Mr. McLean also advised that, with reference to the question of what information should be furnished to the Department of Agriculture, he felt that our present policy of submitting reports to the Criminal Division for review and the referral of the Department of Agriculture to the Criminal Division for any evidentiary information was completely satisfactory.

TWC:ige  
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Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Evans \_\_\_\_\_  
Malone \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

67 MAY 3 1962

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REC'D-READING ROOM  
FBI

## Memorandum

TO : Mr. Belmont

DATE: 4/25/62

FROM : C. A. Evans

SUBJECT: BILLIE SOL ESTES

Tolson	✓
Belmont	✓
Mohr	✓
Callahan	✓
Conrad	✓
DeLoach	✓
Evans	✓
Malone	✓
Rosen	✓
Sullivan	✓
Tavel	✓
Trotter	✓
Tele. Room	✓
Holmes	✓
Gandy	✓

While I was with the Attorney General last evening, he received a telephone call from Secretary of Agriculture Freeman. According to the Attorney General, the Secretary related to him he desired to take prompt action to discharge Dr. James T. Ralph who is reported to have received gifts from Estes and who has testified before the inquiry being conducted by the Texas State Attorney General. Secretary Freeman asked the Attorney General if he could be furnished with any evidence developed during the FBI investigation which would substantiate the report about Dr. Ralph's receiving gifts.

The Attorney General told Freeman he would have to look into the matter. He asked that I call the Secretary when it had been determined when the results of investigation might be furnished to the Department of Agriculture.

On checking it was determined that our investigation in this matter is completed and reports have been sent to the Criminal Division of the Department. There is information in the reports substantiating the receipt of gifts by Dr. Ralph. To date, however, there has been no conclusion that an actual violation of the bribery statute is indicated. Such a violation would, of course, depend on the nature of Dr. Ralph's duties and responsibilities in the Department of Agriculture in relationship to Estes' dealings with Agriculture.

ACTION TAKEN:

In line with the Attorney General's request, I called Secretary Freeman this morning. I advised him that we had conducted investigation in this matter and had referred the results to the Criminal Division of the Department of Justice. He was further advised that just as soon as we received a legal opinion from the Criminal Division as to any indicated criminal violation, we would determine from the Criminal Division what

- 1 - Mr. Mohr
- 1 - Mr. DeLoach
- 1 - Mr. Rosen

CAE:maw  
(9)

Enclosure *sent 4-26-62*

REC- 56

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25 MAY 3 1962

*See let. to  
Dept  
4-27-62  
TWC: ize*

Memorandum to Mr. Belmont  
RE: BILLIE SOL ESTES

information could be supplied to the Department of Agriculture. It was explained to the Secretary that he could, of course, conduct any administrative inquiries he felt essential concerning Dr. Ralph and that I understood from the press the Department of Agriculture investigators had been active in connection with this case. Any administrative action which Agriculture might desire to take was the responsibility of that Department and this would not interfere in any way with any action which the FBI had taken or might be asked by the Criminal Division to take in the future.

The Secretary said he would have fired Ralph immediately except for the fact that Ralph had volunteered to go down and testify. He stated Ralph's testimony almost defied belief but his denial that he had received any gifts was on the record. The Secretary does not have evidence which he believes will support Ralph's discharge. He is obviously looking for information to enable him to fire this employee. If the Department decides there is not a criminal violation then, of course, administrative action may be the only alternative. We are pressing the Criminal Division for a decision and an answer as to what, if any information, should be furnished to the Department of Agriculture.

*Press this.*

*[Signature]*  
*[Signature]*  
ADDENDUM: 4/25/62 TWC:ige *[Signature]*

There are attached letters to Secretary of Agriculture Freeman and to the Attorney General confirming the matters discussed with Assistant Director Evans. These letters also point out that we have forwarded our investigative reports to the Criminal Division of the Department. Attention is directed to the fact that since the Criminal Division must determine the nature of the violation involved it will be up to them to furnish the requested information.

*[Signature]* *[Signature]* *[Signature]* *[Signature]* *[Signature]*

F B I

Date: 4/27/62

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)

Via AIRTEL AIR MAIL  
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (29-28704)  
FROM: SAC, EL PASO (29-351) (P)  
RE: BILLIE SOL ESTES; ET AL  
ITSP - MF; CONSPIRACY  
OO: EL PASO

Rerep SA [redacted] dated 4/12/62 at El Paso.

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The purpose of this airtel is to set forth a number of additional leads for auxiliary offices and to restate leads outstanding. Restated leads are being preceded with an asterisk (\*).

LEADS

ALL OFFICES:

Auxiliary offices requested to furnish El Paso 25 copies of each 302.

DALLAS:

AT DALLAS, TEXAS:

Forward 302s with [redacted]  
Advanced copies have been received.

- 3 - Bureau
- 8 - Dallas (29-1096)
- 2 - Indianapolis (87-9632)
- 2 - New York (87-26066)
- 4 - El Paso

REC- 56

29-28704-168  
5 APR 30 1962

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JRM/jcs  
(19)

Approved: [Signature] Special Agent in Charge

Sent \_\_\_\_\_ M Per [Signature]

cc - Wick 67 MAY 3 - 1962

EP 29-351

[REDACTED] TEXAS:

\*1 Furnish El Paso results of interview with [REDACTED] Estes

Enterprises, [REDACTED] telephone DRake 2-6735.  
If unable to locate at residence believed [REDACTED]

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2. Interview [REDACTED] Ocean Accident and Guaranty Corporation, Manhattan Insurance Building, 1312 Tyler Street, which company was hired by Superior Manufacturing Company for tank inspection purposes during the period July, 1956 until September, 1959, for details relative to tank production by Superior and serial numbers of same. Explain nature of original records available and identity of proper person to subpoena.

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3. Taking contents of the [REDACTED] interview into consideration, interview the following employees of Superior Manufacturing Company for information concerning their knowledge of the non-existence of NH-3 tanks cited in the loan transactions, their participation in this scheme with or without knowledge of its fraudulent nature, acts taken to satisfy finance company representatives that tanks were in existence and assistance offered in placing serial number plates thereon, whereabouts of missing Superior records, which include cash book, check register and voucher copies of checks covering disbursements and also production records:

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4. In addition interview following employees of same company along lines set forth above and also concerning a separate set of books maintained covering the receipt of monies from finance companies and subsequent disbursements of same to ESTES and MC SPADDEN, how were disbursement checks

made out and to what account were disbursements charged, what account was credited when checks received from finance companies. (In this connection it is believed that receipts were credited to sales account #620, and disbursements made to Texas Steel Company (ESTES) and Caprock Steel Company and/or Associated Growers of Herefore (both MC SPADDEN's) all account number 720.) During what period did ESTES contribute one-half of [ ] \$250 weekly salary and how was this handled in their records.

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Records received El Paso do not include pertinent books and records of Superior Manufacturing Company. Specifically, cash book, check or voucher register, production records and copies of inspection reports furnished by boiler inspectors, and also the company's vouchers which would normally consist of carbon copies of checks issued along with attachment explaining purpose of disbursement. These records either destroyed or being hidden out. If information developed as to where records might be, consult USA and consider search warrant.

[ ] who delivered the general ledger covering period May, 1960 to date and two large boxes of work orders to US Marshal, El Paso recently, advised SA [ ] in brief contact that he, [ ] has assisted in loading Superior records in station wagon which ALEXANDER and ORR drove to El Paso in compliance with the subpoena. He reviewed all records delivered to U. S. Marshal and stated that they represented about half of files loaded in the station wagon. Why he brought two large boxes of work or job orders not known as no request was made for these files.

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[ ] merely following instructions. [ ]  
[ ] issuing the instructions.

5. Interview ROBERT E. CLEMENTS, former president, Superior Manufacturing Company, for information relative to

his knowledge of false nature of loan papers representing NH-3 tank purchases and background concerning sale of his interests. (It has been indicated that CLEMENTS originated this scheme. El Paso is in possession of two contracts concerning [redacted] both having been assigned by Superior, R. E. CLEMENTS, President, to CIT. First contract dated 4/5/60 for ammonia tanks in the amount of \$31,050. Same transferred to Associated Growers of Hereford 9/13/60. Second dated 4/23/60 for tanks in the amount of \$33,750. This contract transferred to Associated Growers of Hereford 9/13/60.)

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6. At Amarillo Police Department or County Attorney's Office, obtain disposition of HAROLD EUGENE ORR, #17839, arrested on 9/17/53, charged felony theft. Furnish brief summary of facts surrounding this charge.

[redacted] TEXAS:

Referring to pages 7 and 8 of your interview with [redacted] interview and obtain signed statement from [redacted] concerning his participation in the execution of two fraudulent mortgages, the proceeds of which were apparently used by ORR and ALEXANDER in purchasing the Superior Manufacturing Company. Obtain details re these two transactions and circumstances surrounding MC SPADDEN's taking over payments.

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Inquire as to any other transactions he may have participated in. (See lead #5 at Amarillo.)

Also inquire as to the identity of his attorney, who allegedly demanded \$25,000 from MC SPADDEN, ORR and ALEXANDER with the threat that if they did not make this sum available, he, the attorney, would "squeal" about [redacted] fictitious contracts.

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[REDACTED] TEXAS:

\* Furnish El Paso results of interview with [REDACTED]

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[REDACTED] TEXAS:

\*1 Advise El Paso results of interview with [REDACTED]

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ESTES

re removing and attaching serial number plates to tanks as well as his participation in ammonia tank purchases. At one of the court of inquiry hearings, he stated that some of his contracts were forgeries. In addition include in interview his dealings with ESTES, MC SPADDEN, ORR and ALEXANDER with specific emphasis on any forged contract.

Furnish separate 302 covering his participation in tank purchases along with dealings with subjects and a separate 302 concerning removing and attaching serial number plates to tanks.

\*2. Advise El Paso results of interview with [REDACTED]

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[REDACTED] Associated Growers re ownership of, along with information concerning the receipts, disbursements of this company relating to non-existent ammonia tanks and information in his possession concerning Caprock Steel Company or any other account into which monies from Superior Manufacturing Company may have been deposited.

If interview with [REDACTED] not productive in explaining these matters, identify and interview some other employee of Associated Growers of Hereford.

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3. Interview [REDACTED] who had deals with both ESTES and MC SPADDEN. (Endeavor to show close association of ESTES and MC SPADDEN in this fraud.) [REDACTED] has also testified at one of the hearings and appears to be a willing witness.

EP 29-351

[REDACTED] TEXAS:

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1. Interview [REDACTED]

[REDACTED] Superior Manufacturing Company for a short time in 1961, for information concerning his past and possible present association with this company.

\*2. Will furnish El Paso 302 covering interview with [REDACTED] Associates Investment Company, 2312 Avenue Q, containing information relative to their connection with this matter. Furnish El Paso copies of transactions previously requested. (By teletype dated 4/9/62, Indianapolis advised that the home office of AIC at South Bend not in possession of the files, but same at Lubbock Branch Office.

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[REDACTED] TEXAS:

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\* Forward El Paso 302 covering interview with [REDACTED] re furnishing plastic zipper bag containing money to [REDACTED] afternoon of 3/29/62.

INDIANAPOLIS:

[REDACTED] INDIANA:

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Reinterview [REDACTED] General Leasing of Fort Wayne, Inc., 317 U. S. Highway 30 West, for further details concerning [REDACTED] Walter Heller and Company, Chicago. (Refer to pages 19 through 29 of the report of SA [REDACTED] at El Paso dated 4/12/62 for information obtained from the Heller Company).

In conducting this interview, specifically include the following:

1. Did he participate at a meeting in Midland, Texas, on 12/16/61 consisting of [REDACTED]

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[REDACTED] all

prospective purchasers, [redacted]  
along with BILLIE SOL ESTES, [redacted] and  
[redacted] and if so, why? What took place  
at this meeting?

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2. Did he participate in any other similar gatherings  
for purposes of executing loan documents covering the purchase  
of anhydrous ammonia tanks?

3. From previous interview had with [redacted] and  
records of Heller Company reviewed, it appears General Leasing  
was purchasing the tanks from Superior Manufacturing Company,  
Amarillo, Texas, thereafter leasing same to a particular  
person who in turn sub-leased to ESTES. General Leasing  
would then assign or sell the lease to Heller Company. For  
this, General Leasing received a commission from Heller.  
(It seems that General Leasing is an unnecessary middle man  
here. Tanks could be purchased direct by farmer from Superior  
and then leased to ESTES without going through General Leasing.)

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4. Inspect General Leasing's purchase records  
covering purchase of these tanks from Superior. Review their  
cancelled checks made to Superior covering the down payment.  
Note how they handled their commission check from Heller  
Company and per cent of contract this involved.

For your information General Leasing's transactions  
with Heller worked as follows:

Superior's charge to Gen'l. Leasing for 86 - 1000 gal.

NH-3 tanks, less discount -----	\$ 62,780.00
Less 20% down payment -----	<u>-12,556.00</u>
Amt. of Heller's check to Superior -----	\$ 50,224.00
Amt. of Heller's check to Gen'l. Leasing -----	<u>+ 3,080.00</u>
Total expenditure by Heller	<u>\$ 53,304.00</u>
 Total Amt. called for in Gen'l's. Lease to Farmer-----	 \$ 81,851.20
Less down payment called for under lease -----	<u>-12,556.00</u>
Amt. to be financed -----	\$ 69,295.20
Total expenditure by Heller	<u>-53,304.00</u>
Heller's Service charge -----	\$ 15,991.20

It is noted that Heller's Service charge is 30% of their total expenditure to Superior and General Leasing.

The following may be the formula used to arrive at General Leasing's commission:

Total amt. called for in least to farmer	\$ 81,851.20
Less total cost of tanks -----	-62,780.00
	<u>19,071.20</u>
Service Charge by Heller	-15,991.20
Fee from Heller to General Leasing -----	<u>\$ 3,080.00</u>

5. Learn the total incomes derived by General Leasing through commissions from Heller on transactions involving ammonia tanks and set forth period covered. (Period covered believed to have started May, 1961.) In this connection it is noted Heller Company claims they have at least 43 accounts having approximate value of \$6 million which are involved in this fraud and all purchased through General Leasing.

6. Obtain history of this concern, when founded, capitalization, per cent owned by [redacted]

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7. Interview [redacted] in General Leasing of Fort Wayne, Inc. for a detailed explanation of their dealings with Heller Company, when commitments obtained and circumstances surrounding the obtaining of this commitment from Heller.

Learn brief history of General Leasing's founding, ownership, and determine whether it sells and assigns papers to any other company besides Heller and whether it is directly or indirectly connected in any way with ESTES or MC SPADDEN.

Note: Personal Observation

It is very possible [redacted] is intimately associated in this fraud with ESTES and the others; that he had knowledge

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of the non-existence of the tanks; that he did not have to spend a dime to earn his commission from Heller Company; that if he issued his check representing a down payment, it was possibly refunded to him by Superior or ESTES or the person to whom he was leasing the tanks; that he knew ESTES or MC SPADDEN, depending on who generated the transaction, was receiving the proceeds from the finance company through Superior Manufacturing Company.

NEW YORK:

[redacted] NEW YORK:

Interview [redacted] CIT who according to [redacted] CIT [redacted] ESTES of a contemplated audit by CIT of Superior Manufacturing Company, Amarillo, Texas, sometime in June, 1961. ESTES allegedly learned from [redacted] precise information being sought by the CIT auditor and thereafter issued instructions to officials of the Superior Manufacturing Company as to the necessary books and records that would have to be prepared to pass the audit.

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Employees of Superior Manufacturing Company allegedly worked all night preparing a fictitious set of books and records considered necessary to pass examination by the CIT auditor.

Learn from [redacted] ESTES [redacted] when did he first learn that Superior's and ESTES' loan transactions with CIT were not on the "up and up" thereby necessitating the preparation of phony records to pass an audit. What is his connection with subjects of this case; whether ESTES or others have given him any money or other considerations for this assistance. Does [redacted] pass on any of the applications received and/or is a member of their credit committee?

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EP 29-351

EL PASO:

[REDACTED] TEXAS:

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1. Will review cancelled checks, deposit tickets and other records of Superior Manufacturing Company in possession of the Deputy U. S. Marshal.

2. Report results of interviews conducted at El Paso and Pecos.

3. Maintain contact with AUSA [REDACTED]

[REDACTED] TEXAS:

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Interview [REDACTED]

[REDACTED] concerning their participation in this matter and learn whether any of their contracts represent forgeries. If so, develop and obtain signature specimens.

Review toll charges on ESTES' residence and business phones at telephone company for last billing period prior to arrest, specifically looking for calls to subject MC SPADDEN.

ESTES MAY HAVE SUICIDAL TENDENCIES.

F B I

Date: 4/30/62

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)

AIRTEL

Via \_\_\_\_\_  
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

TO: DIRECTOR, FBI (29-28704)

FROM: SAC, WFO (87-8242) (P)

*mw*  
*RS*

BILLIE SOL ESTES, et al  
BRIBERY; COI  
OO:DL

ReWFOairtels to Bureau 4/19, 4/20, and 4/23/62;  
and report of SA ANDREW J. SHANNON dated 4/23/62, at WDC.

On 4/19/62, N. BATTLE HALES, then Staff Assistant, Office of the Deputy Administrator, State and County Operations, Agricultural Stabilization and Conservation Service (ASCS), U.S. Dept. of Agriculture (USDA), was interviewed under oath in his office, room 5606 South Agriculture Building. It was mutually agreed at the end of the interview that Agents would prepare a signed statement and return the next day at which time HALES would read, correct, and sign the statement.

On 4/20/62, Agents went to HALES' office to have him sign the sworn statement. However, when Agents arrived at HALES' office, it was ascertained that the records in his office had been removed from his jurisdiction as of the beginning of 4/20/62, and that he had been officially notified that day that he was transferred to the Defense Services Staff, ASCS. HALES advised that regarding the information he furnished to Agents on 4/19/62, that he was unable to verify or implement any statement that might have been prepared nor could he furnish the additional information he reportedly had unless he had access to his files. HALES was advised that the FBI had no jurisdiction over the records of the USDA.

(3) - Bureau  
1 - WFO

AJS:hrh

(4)

C. C. Wick

REC- 56

29-28704-169

25 MAY 3 1962

AIRTEL

Approved: *h*

Sent \_\_\_\_\_ M Per \_\_\_\_\_

Special Agent in Charge

67 MAY 3 - 1962

WFO 87-3242

It is pointed out that on leaving HALES, Agents contacted [redacted] Secretary of Agriculture, who advised that he understood that HALES had furnished all information in his possession when interviewed on 4/19/62. He advised that if the FBI wanted to talk to HALES that they were free to do so, and he would see that HALES' files were made available and he had no objection to HALES' files being made available during the interview. He also commented that it would be best if HALES was interviewed and his files made available so that no innuendo could be drawn that the USDA was trying to cover up any irregularities. Agents advised [redacted] that the FBI was aware that the files under the jurisdiction of the USDA.

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On 4/23/62, HALES was again contacted by WFO Agents at which time he advised that his position was the same and he could not sign a statement prepared on information furnished on 4/19/62, and could furnish no additional information he reportedly had until he had access to the records in his office. However, on 4/25/62, HALES telephonically contacted the WFO and advised he was ready to sign the statement and that he had additional information to include in the statement.

On 4/26/62, Agents contacted HALES in his new office, room 503C, South Agriculture Building, where he is assigned to the Defense Services Staff, ASCS. HALES at this time read, corrected, and signed the statement, incorporating the results of his interview on 4/19/62, with minor changes. The contents of the statement are essentially the same as furnished by HALES as set forth on page 66 of referenced report.

During the interview on 4/26/62, HALES made available information which he had typed up and desired to add to his statement. This information typed up by HALES consisted mainly of administrative material concerning HALES' contacts with USDA officials in an effort to make information in his files concerning the ESTES cotton allotment case available to Secretary of Agriculture, as well as his contacts with WFO Agents, the SAC, and ASAC of the WFO regarding the removal of his files from his jurisdiction, and events which occurred at the time he was deprived of the jurisdiction of his files by the USDA.



WFO Agents pointed out that this information was of an administrative nature, however, reviewed and corrected the typed material with him and it was agreed upon the insistence of HALES that this material should also be set forth in a signed sworn statement, as HALES felt it was pertinent to the information furnished on 4/19/62.

On 4/30/62, HALES read, corrected, and signed the statement containing the above-mentioned administrative data. However, at the end of the statement, he added this sentence:

"However there were additional documents relating to the ESTES cotton pooled allotment case which I had intended making available to Agents SHANNON and [redacted] but which I was denied the opportunity to do so when the files were denied to me by USDA officials."

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HALES described these documents as:

1. USDA General Counsel's opinion dated December 15, 1961, verifying HALES' judgment that ESTES case was a criminal violation and should have been referred to the Dept. of Justice.

2. Memo dated 1/31/62, from EMERY E. JACOBS, former Deputy Administrator, State and County Operations, ASCS, to Texas, Oklahoma, and Georgia State Chairmen, which memo enclosed certificate to be executed by "buyers" of allotments or sellers of land in cotton pooled allotment cases.

3. Interoffice memo from HALES to JACOBS dated 2/14/62, in the DILL and WHITE case, (details of this case set forth in referenced report, pages 135-137) in which memo HALES pointed out nothing could be done in DILL and WHITE case administratively until determination was made with ESTES pooled cotton allotment case.

4. HALES' memo requesting investigation by Investigation Division, ASCS, concerning circumstances surrounding signing of false chattel mortgages. These involved three ASCS county committee chairmen in Reeves County, Texas.

HALES also stated that there were possibly other pertinent documents in the files.

It is noted that the WFO has maintained a position that the availability of the files of the Agriculture Dept. are within the prerogative of that department.. It is pointed out, however, that HALES in executing the second signed statement on 4/30/62, alleges that there are additional documents relating to the ESTES cotton pooled allotment case which he had intended to make available to Agents on 4/20/62. In view of HALES' allegations concerning the above-mentioned documents, and in view of the fact that it is believed that HALES might contact the press in this matter, the WFO recommends:

1. That [ ] be contacted and advised that HALES' alleges that there are pertinent documents in his files which he cannot furnish unless he has access to his files.

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2. The WFO, at time of contact with [ ] would point out to him that whether or not files are made available to HALES is within the prerogative of the Dept. of Agriculture.

3. It will be pointed out to [ ] that HALES has been advised that the FBI stands ready and willing to obtain the additional information he has in instant matter in the event that [ ] desires to make the files available to HALES and any other representatives of the Agriculture Dept.

4. It will be clearly pointed out to [ ] that the FBI is not requesting that the USDA make its files available to HALES, but that if the USDA makes the files available to HALES under their control and HALES extracts the additional information therefrom, which he alleges is contained in documents in the files, that the FBI is available and ready to accept this information from HALES.

ESTES may have suicidal tendencies.

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
APR 30 1962

TELETYPE

Mr. Tolson  
Mr. DeLoach  
Mr. Mohr  
Mr. Callahan  
Mr. Conrad  
Mr. DeLoach  
Mr. Evans  
Mr. Malone  
Mr. Rosen  
Mr. Sullivan  
Mr. Tavel  
Mr. Trotter  
Tele. Room  
Miss Holmes  
Miss Gandy

URGENT 4-30-62 12-20 PM CST WD

TO DIRECTOR /29-28704/

FROM SAC DALLAS /58-188/ 2 P

BILLIE SOL ESTES, ET AL, BRIBERY, CONFLICT OF INTEREST. OO DALLAS.

REBUTEL CALL TODAY.

NORTHERN DISTRICT TEXAS

USA BAREFOOT SANDERS, NDT, ADVISED THAT SPECIAL GRAND JURY IM-  
PANELED APRIL TWENTYTHREE LAST WAS PRIMARILY IN CONNECTION WITH POSSIBLE  
USE IN TEAMSTERS UNION INVESTIGATION BY DEPARTMENTAL ATTORNEYS,

HOWEVER WITNESSES WERE CALLED FROM [REDACTED] IN ORDER TO SATISFY

SUBPOENA AS TO RECORDS IN CAPTIONED CASE. GRAND JURY HEARD NO  
EVIDENCE AND WERE DISMISSED SAME DAY AND ARE CURRENTLY STANDING BY FOR  
POSSIBLE USE IN CONNECTION WITH TEAMSTER INQUIRY. SANDERS ADVISED

DALLAS IS QUOTE CRAWLING WITH OUT-OF-STATE REPORTERS UNQUOTE. AMONG  
THOSE WHO HAVE CONTACTED HIM TO DATE ARE REPRESENTATIVES OF WASHINGTON  
STAR, NEW YORK HEARLD TRIBUNE, CHATANOOGA TIMES AND NASHVILLE TENNE-  
SIAN. HE UNDERSTANDS MANY MORE REPORTERS ARE IN DALLAS IN CONNECTION

WITH ESTES CASE. HE STATED FROM WHAT HE CAN UNDERSTAND ALL ARE TRYING  
TO MAKE SOME TYPE OF POLITICAL IMPLICATIONS OUT OF CASE. SANDERS  
STATED ONLY STATEMENT HE HAS MADE TO PRESS TO DATE THAT GRAND JURY WAS  
CALLED FOR OTHER PURPOSES AND HE DID NOT MAKE

ANY STATEMENT CONFIRMING PURPOSE OF FGJ.

MR. BELMONT FOR THE DIRECTOR

67 MAY 3 - 1962

25 MAY 3 1962

PAGE TWO

INASMUCH AS OUT-OF-STATE REPORTERS NOT CONTACTING DALLAS OFFICE,  
DALLAS UNAWARE OF STATEMENTS BEING MADE, HOWEVER DALLAS WILL KEEP BUREAU  
CURRENTLY ADVISED OF ALL ITEMS APPEARING IN DALLAS PAPERS.

END

2-25 PM OK FBI WA ELR

V



CC-MR. ROSEN

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
MAY 1 1962  
TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

URGENT 5-1-62 12-10 PM SAV

TO DIRECTOR, FBI 1 29-28704 AND SAC, DALLAS 29-1096

FROM SAC, NEW YORK 87-26066 1 P

BILLIE SOL ESTES., ET AL, ITSP - MF., CONSPIRACY

OO..EL PASO

RE EL PASO AIRTEL TO THE BUREAU DATED FOUR TWENTY SEVEN SIXTY TWO.

INQUIRY AT CIT, NEW YORK , REFLECTS [REDACTED] b6 b7C  
CIT CORPORATION, PRESENTLY IN DALLAS, TEXAS, AND CAN BE REACHED  
THROUGH DALLAS OFFICE OF CIT CORPORATIONM

DALLAS HANDLE LEAD SET FORTH FOR NEW YORK IN RE AIRTEL.

AM COPY EL PASO. P.

END

NY R 1 WA ELR

REC-56

21-28704-171  
25 MAY 3 1962

246  
67 MAY 3 - 1962

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
MAY 1 1962

TELETYPE

Mr. Tolson \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Callahan \_\_\_\_\_  
Mr. Conrad \_\_\_\_\_  
Mr. DeLoach \_\_\_\_\_  
Mr. Evans \_\_\_\_\_  
Mr. Malone \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Sullivan \_\_\_\_\_  
Mr. Tavel \_\_\_\_\_  
Mr. Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Miss Holmes \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

URGENT 5-1-62 7-55 PM CST TEW  
TO DIRECTOR, FBI /29-28704/, SACS EL PASO /29-351/ AND INDIANAPOLIS  
/87-9632/  
FROM SAC DALLAS /29-1096/ P  
BILLIE SOL ESTES, ET AL, ITSP - MF. CONSPIRACY. OO EL PASO. RE EL  
PASO AIRTEL TO BUREAU, APRIL TWENTY-SEVEN LAST.

RE INDIANAPOLIS INTERVIEW WITH


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END PAGE ONE  
67 MAY 3 - 1962

cc: Engram

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PAGE TWO



END PAGE TWO

PAGE THREE

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ESTES MAY HAVE SUICIDAL TENDENCIES.

END

WA 10-07 PM OK FBI WA MLL

EP

IP OK FBI IP WJA

OK FBI EP RAR

TU ALL DIS



UNITED STATES GOVERNMENT

*Memorandum*

TO : Mr. Rosen *BRW*

FROM : W. B. Welte *W*

SUBJECT: BILLIE SOL ESTES  
ITSP

DATE: MAY 1, 1962

Tolson \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Callahan \_\_\_\_\_  
 Conrad \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 Evans \_\_\_\_\_  
 Malone \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Sullivan \_\_\_\_\_  
 Tavel \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Holmes \_\_\_\_\_  
 Gandy \_\_\_\_\_

*to Curtis*

On 4/30/62, I telephonically contacted ASAC Howell, Washington Field, and SAC Curtis Lynum of the Dallas Office to ascertain if all aspects of the Bribery investigations had been completed.

Both assured me that all aspects of the Bribery investigations involving the three Agriculture employees had been completed.

REC- 56

*A*

29-28704-173

25 MAY 3 1962

WBW:jlt *glt*  
 (5)

*246*  
 MAY 3 - 1962

PLAIN TEXT

5/1/62

TELETYPE  
REC- 56

URGENT

TO SAC'S, NEW YORK  
DALLAS  
EL PASO  
NEW ORLEANS

FROM DIRECTOR, FBI

BILLIE SOL ESTES, ITSP DASH CONSPIRACY.

DEPARTMENT HAS REQUESTED FOLLOWING INVESTIGATION:

IT IS REQUESTED THAT INVESTIGATION BE UNDERTAKEN TO  
DETERMINE THE BUSINESS RELATIONSHIP OF BILLIE SOL ESTES, SUPERIOR  
MANUFACTURING CO., AMARILLO, TEXAS, LUBBOCK MACHINE & SUPPLY CO.,  
LUBBOCK, TEXAS, AND ANY OFFICER OR EMPLOYEE OF THESE FIRMS WITH  
THE COMMERCIAL SOLVENTS CORPORATION, NEW YORK, NEW YORK. THE  
FOLLOWING PARTICULARS ARE SPECIFICALLY WANTED:

THE TERMS AND CONDITIONS OF ANY AND ALL CONTRACTS AND  
AGREEMENTS ENTERED INTO BY BILLIE SOL ESTES, SUPERIOR MANUFACTURING  
CO., LUBBOCK MACHINE & SUPPLY CO., AND ANY OFFICER OR EMPLOYEE  
THEREOF WITH COMMERCIAL SOLVENTS CORPORATION.

THE FINANCIAL ARRANGEMENTS THAT EXISTED BETWEEN BILLIE  
SOL ESTES, SUPERIOR MANUFACTURING CO., LUBBOCK MACHINE & SUPPLY  
CO., ANY OFFICER OR EMPLOYEE THEREOF, AND COMMERCIAL SOLVENTS  
CORPORATION.

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
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Sullivan \_\_\_\_\_  
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Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

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(3)

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

MAY 1 1962

TELETYPE

67 MAY 3 - 1962

TELETYPE UNIT

PAGE TWO

RE: BILLIE SOL ESTES

THE TOTAL AMOUNT OF MONEY THAT WAS EXCHANGED BETWEEN BILLIE SOL ESTES, SUPERIOR MANUFACTURING CO., LUBBOCK MACHINE & SUPPLY CO., ANY OFFICER OR EMPLOYEE THEREOF, AND COMMERCIAL SOLVENTS CORPORATION.

THE TOTAL OF ANY INDEBTEDNESS EXISTING BETWEEN BILLIE SOL ESTES, SUPERIOR MANUFACTURING CO., LUBBOCK MACHINE & SUPPLY CO., ANY OFFICER OR EMPLOYEE THEREOF, AND COMMERCIAL SOLVENTS CORPORATION.

THE TYPE, QUANTITY AND TOTAL VALUE OF ANY PRODUCTS PURCHASED BY BILLIE SOL ESTES, SUPERIOR MANUFACTURING CO., LUBBOCK MACHINE & SUPPLY CO., ANY OFFICER OR EMPLOYEE THEREOF, FROM COMMERCIAL SOLVENTS CORPORATION.

REFERENCE IS MADE TO PAGE ONE NAUGHT FIVE OF THE REPORT OF SA MANNING C. CLEMENTS, DATED APRIL TWENTY, SIXTYTWO, BUREAU NO. TWENTYNINE DASH TWO EIGHT SEVEN NAUGHT FOUR. INFORMATION IS CONTAINED THEREIN TO THE EFFECT THAT WILL R. WILSON, ATTORNEY GENERAL OF THE STATE OF TEXAS, STATED THAT INVESTIGATORS OF THE COMMERCIAL SOLVENTS CORPORATION, HAD PRECEDED HIS INVESTIGATORS TO ESTES' OFFICE IN PECOS, TEXAS AND QUOTE CLEANED OUT UNQUOTE HIS (ESTES) DESK OF PAPERS AND OTHER DOCUMENTS. IT IS REQUESTED THAT FURTHER INVESTIGATION BE CONDUCTED TO DETERMINE THE CORRECTNESS OF MR. WILSON'S STATEMENT.

IT IS OUR UNDERSTANDING THAT FARMERS WHO STORED GRAIN IN ESTES' WAREHOUSE PAID THEIR STORAGE FEES DIRECTLY TO THE LOUISIANA BRANCH OFFICE OF COMMERCIAL SOLVENTS CORPORATION, PURSUANT TO AN AGREEMENT BETWEEN ESTES AND COMMERCIAL SOLVENTS CORPORATION. IT IS REQUESTED THAT INVESTIGATION BE CONDUCTED TO DETERMINE IF

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

MAY 1 1962

TELETYPE

PAGE TWO

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PAGE THREE

RE: BILLIE SOL ESTES

SUCH AN AGREEMENT EXISTED AND, IF SO, SECURE THE DETAILS THEREOF.

HANDLE IMMEDIATELY, SET OUT LEADS BY TELETYPE,  
BUDED FOR REPORTS MAY NINE, SIXTYTWO, SUTEL RESULTS OF INVESTIGA-  
TION AND INITIAL CONTACTS TO BUREAU AND PERTINENT OFFICES BY COB  
MAY TWO, SIXTYTWO.

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
MAY 1 1962

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FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
MAY 1 1962  
**TELETYPE**

URGENT 5-1-62 6-31 PM RAM

TO SACS NEW YORK, DALLAS, EL PASO, NEW ORLEANS  
FROM DIRECTOR 3 P

BILLIE SOL ESTES, ITSP DASH CONSPIRACY.

DEPARTMENT HAS REQUESTED FOLLOWING INVESTIGATION...QUOTE

IT IS REQUESTED THAT INVESTIGATION BE UNDERTAKEN TO DETERMINE  
THE BUSINESS RELATIONSHIP OF BILLIE SOL ESTES, SUPERIOR MANUFACTURING  
CO., AMARILLO, TEXAS, LUBBOCK MACHINE & SUPPLY CO., LUBBOCK, TEXAS,  
AND ANY OFFICER OR EMPLOYEE OF THESE FIRMS WITH THE COMMERCIAL  
SOLVENTS CORPORATION, NEW YORK, NEW YORK. THE FOLLOWING PARTICULARS  
ARE SPECIFICALLY WANTED.....

THE TERMS AND CONDITIONS OF ANY AND ALL CONTRACTS AND AGREEMENTS  
ENTERED INTO BY BILLIE SOL ESTES, SUPERIOR MANUFACTURING CO., LUBBOCK  
MACHINE & SUPPLY CO., AND ANY OFFICER OR EMPLOYEE THEREOF WITH  
COMMERCIAL SOLVENTS CORPORATION.

THE FINANCIAL ARRANGEMENTS THAT EXISTED BETWEEN BILLIE SOL  
ESTES, SUPERIOR MANUFACTURING CO., LUBBOCK MACHINE & SUPPLY CO.,  
ANY OFFICER OR EMPLOYEE THEREOF, AND COMMERCIAL SOLVENTS CORPORATION.

THE TOTAL AMOUNT OF MONEY THAT WAS EXCHANGED BETWEEN BILLIE  
END PAGE ONE

PAGE TWO

SOL ESTES, SUPERIOR MANUFACTURING CO., LUBBOCK MACHINE & SUPPLY CO., ANY OFFICER OR EMPLOYEE THEREOF, AND COMMERCIAL SOLVENTS CORPORATION.

THE TOTAL OF ANY INDEBTEDNESS EXISTING BETWEEN BILLIE SOL ESTES, SUPERIOR MANUFACTURING CO., LUBBOCK MACHINE & SUPPLY CO., ANY OFFICER OR EMPLOYEE THEREOF, AND COMMERCIAL SOLVENTS CORPORATION.

THE TYPE, QUANTITY AND TOTAL VALUE OF ANY PRODUCTS PURCHASED BY BILLIE SOL ESTES, SUPERIOR MANUFACTURING CO., LUBBOCK MACHINE & SUPPLY CO., ANY OFFICER OR EMPLOYEE THEREOF, FROM COMMERCIAL SOLVENTS CORPORATION.

REFERENCE IS MADE TO PAGE ONE NAUGHT FIVE OF THE REPORT OF SA MANNING C. CLEMENTS, DATED APRIL TWENTY, SIXTYTWO, BUREAU NO. TWENTYNINE DASH TWO EIGHT SEVEN NAUGHT FOUR. INFORMATION IS CONTAINED THEREIN TO THE EFFECT THAT WILL R. WILSON, ATTORNEY GENERAL OF THE STATE OF TEXAS, STATED THAT INVESTIGATORS OF THE COMMERCIAL SOLVENTS CORPORATION, HAD PRECEDED HIS INVESTIGATORS TO ESTES- OFFICE IN PECOS, TEXAS AND QUOTE CLEANED OUT UNQUOTE HIS /ESTES/ DESK OF PAPERS AND OTHER DOCUMENTS. IT IS REQUESTED THAT FURTHER INVESTIGATION BE CONDUCTED TO DETERMINE THE CORRECTNESS OF MR. WILSON/S STATEMENT.

IT IS OUR UNDERSTANDING THAT FARMERS WHO STORED GRAIN IN ESTES-  
END PAGE TWO

PAGE THREE

WAREHOUSE PAID THEIR STORAGE FEES DIRECTLY TO THE LOUISIANA BRANCH OFFICE OF COMMERICAL SOLVENTS CORPORATION, PURSUANT TO AN AGREEMENT BETWEEN ESTES AND COMMERCIAL SOLVENTS CORPORATION. IT IS REQUESTED THAT INVESTIGATION BE CONDUCTED TO DETERMINE IF SUCH AN AGREEMENT EXISTED AND, IF SO, SECURE THE DETAILS THEREOF. UNQUOTE.

HANDLE IMMEDIATELY, SET OUT LEADS BY TELETYPE, BUDED FOR REPORTS MAY NINE, SIXTYTWO, SUTEL RESULTS OF INVESTIGATION AND INITIAL CONTACTS TO BUREAU AND PERTINENT OFFICES BY COB MAY TWO, SIXTYTWO.

END & ACK PLS

DL OK F B I DL EEA

EP OK FBI EP JRH

NO OK FBI NO RTL

TU DISC

GENERAL INVESTIGATION DIVISION

5/1/62

The incoming is a request from the Department for investigation of the Commercial Solvents Corporation, New York, New York. The Department is reviewing Department of Agriculture reports as well as FBI reports referring to alleged public comments of Texas Attorney General Wilson who has been conducting hearings re Estes. Our report of 4/20/62, referred to in incoming, has already set out this lead.

The investigation requested by the Department will be expedited. Commercial Solvents Corporation seems to be implicated in the Estes scheme to the extent that persons within the corporation could be conspirators with Estes.

ABs



## Memorandum

Mr. Tolson	✓
Mr. Belmont	✓
Mr. Mohr	✓
Mr. Callahan	✓
Mr. Conrad	✓
Mr. DeLoach	✓
Mr. Evans	✓
Mr. Malone	✓
Mr. Rosen	✓
Mr. Tavel	✓
Mr. Trotter	✓
Tele. Room	✓
Miss Holmes	✓
Miss Gandy	✓

APR 11 30 1962

HJM:EDM:117  
29-76-117  
120-76-117

TO : Director, Federal Bureau of Investigation DATE:

FROM : Herbert J. Miller, Jr., Assistant Attorney General, Criminal Division ✓

SUBJECT: Billie Sol Estes

(A) It is requested that investigation be undertaken to determine the business relationship of Billie Sol Estes, Superior Manufacturing Co., Amarillo, Texas, Lubbock Machine & Supply Co., Lubbock, Texas, and any officer or employee of these firms with the Commercial Solvents Corporation, New York, New York. The following particulars are specifically wanted:

- (1) The terms and conditions of any and all contracts and agreements entered into by Billie Sol Estes, Superior Manufacturing Co., Lubbock Machine & Supply Co., and any officer or employee thereof with Commercial Solvents Corporation.
- (2) The financial arrangements that existed between Billie Sol Estes, Superior Manufacturing Co., Lubbock Machine & Supply Co., any officer or employee thereof, and Commercial Solvents Corporation.
- (3) The total amount of money that was exchanged between Billie Sol Estes, Superior Manufacturing Co., Lubbock Machine & Supply Co., any officer or employee thereof, and Commercial Solvents Corporation.
- (4) The total of any indebtedness existing between Billie Sol Estes, Superior Manufacturing Co., Lubbock Machine & Supply Co., any officer or employee thereof, and Commercial Solvents Corporation.
- (5) The type, quantity and total value of any products purchased by Billie Sol Estes, Superior Manufacturing Co., Lubbock Machine & Supply Co., any officer or employee thereof, from Commercial Solvents Corporation.

EX-117-PROC  
39 MAY 1 1962

REC- 56

5 MAY 2 1962

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5-1-62  
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(B) Reference is made to page 105 of the report of SA Manning C. Clements, dated 4/20/62, Bureau No. 29-28704. Information is contained therein to the effect that Will R. Wilson, Attorney General of the State of Texas, stated that investigators of the Commercial Solvents Corporation, had preceded his investigators to Estes' office in Pecos, Texas and "cleaned out" his (Estes) desk of papers and other documents. It is requested that further investigation be conducted to determine the correctness of Mr. Wilson's statement.

(C) It is our understanding that farmers who stored grain in Estes' warehouse paid their storage fees directly to the Louisiana branch office of Commercial Solvents Corporation, pursuant to an agreement between Estes and Commercial Solvents Corporation. It is requested that investigation be conducted to determine if such an agreement existed and, if so, secure the details thereof.

*Give top priority  
to any delay in action  
against Estes can  
not be attributed to  
FBI.*

*K*

*TT to 91.4. 21/11/62*

Mr. Herbert J. Miller, Jr.  
Assistant Attorney General

May 1, 1962

Director, FBI

**BILLIE SOL ESTES  
INTERSTATE TRANSPORTATION  
OF STOLEN PROPERTY**

This is to confirm the discussion between Mr. Carl Belcher of the Department and Special Agent Thomas W. Curran of this Bureau on April 30, 1962.

It was pointed out that through the courts of inquiry being conducted by Texas Attorney General Will Wilson, items containing various allegations are appearing in the public press.

Specifically, an item concerning Representative Jamie Whitten (Democrat-Mississippi) was discussed. It was pointed out that these items are not necessarily factual and the true facts would be in the transcript of the Wilson hearings. Similar items have also appeared concerning other personages in the Government. Mr. Belcher mentioned a similar situation presently under consideration by the Department relating to Congressman H. Carl Andersen (Republican-Minnesota).

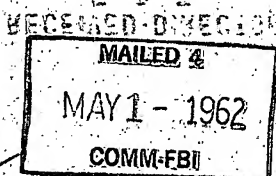
Mr. Belcher advised that the Department of Justice has made arrangements to obtain a transcript of the Wilson hearings which transcript will be reviewed along with reports and information furnished by the Department of Agriculture. After this is coordinated appropriate requests for any investigation will be specifically outlined and sent to the F.B.I. Such requests will receive preferred attention.

1 - Mr. DeLoach  
1 - Mr. Evans

NOTE: Information concerning Jamie Whitten, referred to, was previously furnished to the Attorney General on 4/23/62 by the Bureau.

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REC-33

10 MAY 2 1962

The Attorney General

EX-114

Director, FBI 29-28704 - 176

REC-36

BILLIE SOL ESTES  
INTERSTATE TRANSPORTATION OF  
STOLEN PROPERTY - BRIBERY

1-Mr. Belmont  
1-Mr. Rosen  
1-Mr. Malley  
1-Mr. Welte  
1-Mr. Curran

April 25, 1962

REC'D-READING ROOM  
FBI  
APR 25 2 42 PM '62

This is to advise you of the further developments in the Estes matter concerning irregularities by United States Department of Agriculture officials.

Harold M. Lowerree, Chief of Investigations, United States Department of Agriculture, has previously advised that N. Battle Hales, Staff Assistant, Office of Deputy Administrator, United States Department of Agriculture, employed under Emery E. Jacobs, was possibly in violation of Title 18, Section 2071, United States Code, which includes as a violation the removal of Government records. Lowerree based his allegation on the fact that newspaper reporters had made inquiries indicating they were in possession of material from United States Department of Agriculture files. The statement made by Lowerree was not specific as to whether information made available by Hales was oral or written.

Hales was interviewed by Agents of this Bureau and asked if he made available any information contained in documents under his supervision at United States Department of Agriculture to any outside individuals or newspaper reporters. Hales was uncooperative during the interview and his reply to the question was "in the absence of an allegation that I have passed out any official documents of the Department of Agriculture and in the absence of the showing of any violation of regulations, I decline to answer on the grounds that the question will be irrelevant." Hales further advised that he stood on the above statement until he was advised that a violation had occurred and then he might be willing to talk concerning the matter.

In the absence of Secretary of Agriculture Orville L. Freeman, the information regarding Hales' refusal to answer questions concerning the possible Federal violation of removal

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Holmes  
Gandy

1-Mr. DeLoach  
1-Mr. Evans

GEB: kak/ef

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67 MAY 4 - 1962

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The Attorney General

of Government records was furnished to Secretary Freeman's

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b7C

No further investigation is being conducted in this regard since we have no specific information that newspaper reporters are in possession of documents of the United States Department of Agriculture.

- 1 - The Deputy Attorney General
- 1 - Mr. Herbert J. Miller, Jr.  
Assistant Attorney General

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DIAT  
EX-11  
BRL-100



UNITED STATES GOVERNMENT

## Memorandum

TO : MR. W. C. SULLIVAN

DATE: April 20, 1962

FROM :

[Redacted]

SUBJECT: BILLIE SOL ESTES,  
INTERSTATE TRANSPORTATION OF  
STOLEN PROPERTY - BRIBERY

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
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Mr. Rosen's memorandum April 20, 1962, recommended that Liaison advise Secretary of Agriculture Orville L. Freeman of the refusal of N. Battle Hales to answer questions concerning the possible Federal violation of removal of Government records.

On April 20, 1962, this information was furnished to [Redacted] Secretary Freeman. Secretary Freeman was tied up in conferences and was not available for contact. He has previously told Liaison that any information for him could be given to [Redacted] stated that he very much appreciated receiving this information and that it was entirely possible that Hales had furnished information to the press. He stated that he would see that the Secretary received this information immediately.

b6  
b7CACTION:

For information.

BAW:hke  
(11)

- 1-Mr. Belmont
- 1-Mr. Mohr
- 1-Mr. Sullivan
- 1-Mr. DeLoach
- 1-Mr. Evans
- 1-Mr. Rosen
- 1-Mr. Welte
- 1-Mr. Curran
- 1-Liaison
- 1-Mr. Wells

EX-114

REC-36  
LETTER A  
A-98  
4-25-62  
KAK

18 MAY 3 1962

cc MR. TOLSON

The Attorney General

May 1, 1962

Director, FBI

- 1 - Mr. Belmont
- 1 - Mr. Rosen
- 1 - Mr. Malloy
- 1 - Mr. Wolte
- 1 - Mr. Carran

HILLIS SOL ENTERS  
INTERSTATE TRANSPORTATION OF  
STOLEN PROPERTY - MURKIN

A news release by United Press International on April 27, 1962, stated that an official in the Department of Agriculture, General Counsel's Office, disclosed that the Federal Bureau of Investigation had asked the Department of Agriculture to continue its inquiry into departmental relations involving Entos.

The FBI has made no recommendations concerning Department of Agriculture procedures with regard to conducting its administrative review of records in the Entos matter.

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The Deputy Attorney General

Mr. Herbert J. Miller, Jr.  
Assistant Attorney General

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Note cover memo Rosen to Belmont 4/30/62 TWC:bm:kak

ENCLOSURE

RECEIVED-ENTOS  
1 - Mr. Evans  
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REC-116

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UPI-147

ADD 2 ESTES, WASHINGTON

MEANWHILE, THE AGRICULTURE DEPARTMENT BROADENED ITS INVESTIGATION OF THE ESTES CASE TO INCLUDE INDIVIDUAL FARMERS IN CONNECTION WITH COTTON ALLOTMENT WITHDRAWALS.

HOWARD ROONEY, AN OFFICIAL IN THE DEPARTMENT'S GENERAL COUNSEL OFFICE, SAID IN AN INTERVIEW THE DECISION HAD BEEN MADE TO INTERROGATE INDIVIDUAL FARMERS. BUT HE SAID HE DID NOT KNOW IF SUCH INTERROGATION HAD ACTUALLY BEGUN.

THE INTERROGATION WILL SEEK TO DETERMINE IF THE FARMERS FRAUDULENTLY ATTESTED ON ALLOTMENT WITHDRAWAL APPLICATIONS THAT THERE WERE NO SECRET "SIDE AGREEMENTS" TO GET AROUND THE PROHIBITION AGAINST SALE OF SUCH ALLOTMENTS.

AGRICULTURE DEPARTMENT RECORDS SHOW 56 FARMERS IN OKLAHOMA TRANSFERRED 781.3 ACRES TO ESTES; NINE GEORGIA FARMERS TRANSFERRED 285.4 ACRES AND 51 TEXAS FARMERS TRANSFERRED 2,056.4 ACRES.

IN ADDITION, INDIVIDUAL FARMERS TRANSFERRED A TOTAL OF 2,103.7 ACRES UNDER SIMILAR ARRANGEMENTS TO OTHER LANDHOLDERS IN TEXAS AND NEW MEXICO.

ROONEY ALSO DISCLOSED THAT THE FEDERAL BUREAU OF INVESTIGATION HAD ASKED THE DEPARTMENT TO CONTINUE ITS INQUIRY INTO DEPARTMENTAL RELATIONS INVOLVING ESTES.

4/27--E442P

ENCLOSURE

What about this?

REC-116

18 MAY 4 1962

WASHINGTON CAPITAL NEWS SERVICE